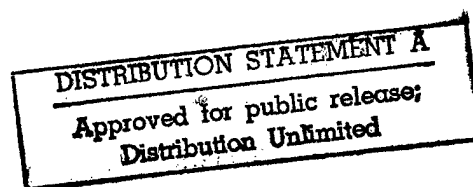


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West Europe Report



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30 MARCH 1987

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SCHLUTER SEEN WAGING SUCCESSFUL ECONOMIC POLICY IN VOTE QUEST

Copenhagen BERLINGSKE TIDENDE in Danish 1 Feb 87 p 17

[Commentary by Frank Dahlgaard: "How Poul Schluter Intends to Win the Election"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The government and the Radical Liberals are working hard to negate the recovery policy in order to win the approaching Folketing election.

Despondency is spreading among Social Democrats. Poul Schluter and Niels Helveg Petersen are busily carrying out the policy of social redress that was supposed to win the upcoming Folketing election for Anker Jorgensen and Svend Auken.

On the other hand they are undoing the economic recovery policy at the same time, but that is not very popular with the voters anyway.

Top Social Democrats are beginning to concede unofficially that they are being beaten on their home court by the four-party coalition government. The government is busily paying out state funds to all the large groups of voters.

The most stunning blow was delivered on Monday when Finance Minister Palle Simonsen smilingly announced to the astounded press that he had reached a contract agreement with 800,000 public employees. In the background stood a grinning Martin Romer, chairman of the Joint Council of Civil Servants' and Salaried Employees' Organizations, and the grin was certainly not purchased cheaply. Almost all the demands made by the public employees were met.

The surprising thing is not that the public employees received sizable pay increases. It has been part of the government's strategy all along that it would be hard to win the approaching Folketing election without giving national and municipal employees sizable pay raises.

No, the surprising thing is that they got as much as they did and that they got it so quickly.

Friendly Thought

After the events of the last few weeks the government and the Radical Liberals have put themselves in an extremely strong position prior to the next Folketing election.

The threat of a major labor conflict has been averted. Political intervention--followed by protest strikes, demonstrations and group pressure at many job sites--has been avoided. Tens of thousands of voters are breathing a sigh of relief and sending a friendly thought to the government.

They will do the same when they get sick and no longer have to contend with a waiting period for benefits.

The government will probably also be given credit for the reduction of the work week from 40 to 39 hours starting 1 January. The same thing will occur with regard to the reduced rates in the 1987 income tax bills--although the tax reform was enacted as a result of a compromise with the Social Democrats.

When the public employees get their sizable wage increases on 1 April it will be no April Fool's joke. Not at first, anyway. Very few people will give a thought to the fact that the wage increases will probably have to be neutralized after the Folketing election because consumption increases more than production.

During April many voters will also get refunds from excess withholding tax payments. This will amount to around 10 billion kroner and the recipients will undoubtedly think kindly of the government that so considerably expedited these refunds.

Big Gift Orgy

On 1 July unemployment benefits and children's benefits will be increased by 3.6 percent and pensions are sure to get a boost soon. Both the Radicals and the government have indicated that pension recipients should be given a prosperity adjustment (in addition to the cost-of-living adjustment) now that everyone else is getting more money.

One of the big items in the general gift orgy before the Folketing election involves families with children. Of course their interests must be considered too, there are a lot of votes available there.

On 1 July all parents will receive their first quarterly check for 1,250 tax-free kroner per child in "family benefits"--regardless of income. But before this benefit replaces the regular children's benefit a whole year of regular children's benefits will have been paid out in the first half of the year. And there is a new feature: all single parents will get both increased and extra children's benefits in the future, regardless of income.

At the beginning of the year the government introduced the possibility of gradually improving partial and civil service pensions by scaling down the

so-called "coordination deduction." And as of 1 January state benefits will also be paid to everyone who is saving money to buy a home or for educational purposes and education grants will also be increased.

And of course the government has given the go-ahead signal for cheap trips to the United States.

Finally the 1987 municipal budgets show that 15,000 more public employees will be hired this year.

Reverse Side of the Coin

It must be hard for Anker Jorgensen to see Poul Schluter taking over his role as "Santa Claus" and handing out gifts to the population.

In addition Schluter will naturally make an appeal during the campaign to the voters' fears of a "red cabinet." What might that lead to?

That is the political side of the matter and here Anker Jorgensen has been driven into a corner.

Howe the big gift orgy will not be free of charge.

The harsh reality with regard to 1987 is that production is expected to stagnate, while wages, pensions and benefits will increase. Thus there will be nothing to offset the increased consumption produced by the higher incomes. The result will be rising prices, poorer competitiveness and a foreign currency deficit that will not decline as much as previous estimates indicated.

In the past week Finance Minister Palle Simonsen has been busy claiming that the wage increases for public employees will not have a negative effect on state finances--net state and municipal expenditures will be automatically financed by the taxes paid on their wage increases by people working in the private sector.

And that is not incorrect. The danger involved in the big wage increases in the public sector is that they will set off a chain reaction--partly in the form of an extra amount of wage drift in the private business sector and partly in the form of higher pensions, daily benefits, children's benefits, etc.

This last mechanism has already been started up and it cannot fail to be a drain on state finances. The surplus in the state budget could quickly turn into a deficit again.

Early Election

If Prime Minister Poul Schluter wants to reap the political benefits of the gift policy of the past year he must call for a Folketing election before the negative consequences become too apparent.

If he waits until November or December, as he indicated during his recent visit to India, it will be too late. By that time inflation and unemployment will be on the way up and the balance of payments will probably be so unsatisfactory that there will be an obvious need to limit consumption. Since the government will not authorize a devaluation, that will leave only the unpopular financial cuts.

In addition the political gift orgy will continue with growing intensity until the election is over. As there is no economic foundation for these gifts, it is important to get the election over with quickly.

Therefore the election will be held early. Either in the spring or, at the latest, just before the summer recess. That will mean that the four-party coalition government can make a fresh start when Folketing convenes in October.

Anker Jorgensen's only chance in the coming election is to rely on the "compassion factor." Poul Schluter has simply been much too clever.

6578

CSO: 3613/42

WOMEN GAIN INCREASED PROMINENCE IN POLITICAL PARTIES

Copenhagen BORSENS NYHEDSMAGASIN in Danish 16 Jan 87 pp 22-25

[Article by Stig Albinus and Erik Meier Carlsen: "Strong Women Moving Up"; first paragraph is BORSENS NYHEDSMAGASIN introduction]

[Text] New political profiles are ready to win seats in Folketing in most of the Danish parties. Very few of the new Folketing members come from the private business sector.

A number of outstanding women are on their way to Folketing. This is apparent from a survey of the new Folketing members that can be expected to take their place in Christiansborg as a result of the next parliamentary election. The survey was made by BORSENS NYHEDSMAGASIN with the assistance of party secretariats.

However there is no indication of any major shift in the distribution of the new Folketing members on the basis of sex. On the contrary, the preliminary survey suggests some stagnation in the increase we have been seeing in female representation.

Nor is there any sign of renewal as far as jobs are concerned. Public employees predominate among the new Folketing members and the list of about 20 new names that seem likely to win seats at this point contains only a single director, one engineering consultant, one lawyer, one real estate agent and a couple of farmers from the private business sector.

After the 1984 election only 30 out of 179 Folketing members were self-employed or top salaried employees working for private firms--and of those, 10 were farmers.

One of the strong women is the vice chairman of the Social Democratic Party, Birte Weiss, who will return to Folketing after an absence of several years. In the Radical Liberal Party teacher Marianne Jelved and secretary Grete Bille-Paulsen, both members of the party's executive committee, have a good chance of making their political debut in Christiansborg. Both traditionally represent the effort to give the Radical Liberals a more independent political profile in the party's cooperation with the nonsocialist government. The

Center-Democrats' former Folketing member, Yvonne Herlov Petersen, will run in Erling Jacobsen's old district and seems certain to be elected to Folketing.

In the Socialist People's Party [SF], which is the party with the strongest female representation in Christiansborg, it is primarily strong men from the party's executive committee who are knocking on the door of Folketing. They include party vice chairman Age Frandsen and executive committee members Holger K. Nielsen and Jorn Jespersen.

Things could easily go the same way in the Liberal Party, where Elsebeth Kock-Petersen and Hanne Severinsen could lose their seats to Anders Poulsen and Hans Jorgen Holm.

It seems clear that the Social Democratic Folketing group will be enriched by at least one more candidate for the sought-after post as party chairman: namely vice chairman Birte Weiss. Weiss left Folketing in the 1984 election to pursue a career in journalism. But she let herself be talked into taking on the vice chairmanship of the party when the party leadership and the union movement wanted a candidate to oppose the woman favored by the party's unofficial women's group, Helle Degn.

But the new director of the Cost-of-Living Fund, Poul Nyrup Rasmussen, has also been mentioned as a candidate in the next Folketing election--and for the post as party chairman.

Birte Weiss is replacing former Finance Minister Knud Heinesen in the Sondre district of Copenhagen and will therefore almost certainly knock out social worker Joanna Ronn, who came in as Heinesen's replacement when he gave up his seat to become airport chief.

If the party wins more seats, the next seat in the Copenhagen area will probably go to former Folketing member, consultant Winnie Moller or union chairman Hans Jorgen Jensen, who lost in a vote recount in 1984.

But there is also considerable excitement in connection with the election in Frederiksborg County after former Industrial Affairs Minister Erling Jensen left the safe Helsingor district. Jensen's replacement has not yet been named, a choice will not be made before spring, but strong candidates have been mentioned: Metalworkers Union chairman Georg Poulsen and former Federation of Trade Unions [LO] chief economist and current director of the Wage Earners' Cost-of-Living Fund, Poul Nyrup Rasmussen. Both have said they do not think this is the right time, but they have not definitely rejected the idea. Retail Business and Clerical Workers Union [HK] economist Steen Johansen has also been mentioned.

And finally, Inge Fischer-Moller was elected in the county and when she died Poul Erik Korneliusen took over. But Fischer-Moller's Hillerod district has chosen consultant Lone Moller as its candidate and she definitely has a chance to beat both Korneliusen and Jens Peter Lerke of Frederiksvaerk.

Social Democratic defense policy spokesman Knud Damgaard is giving up his seat in Roskilde County. He is being replaced by the party's representative in the EC Parliament, Ove Fich, who has a good chance of being elected.

In Vejle County former Energy Minister Poul Nielson will defend his seat in Folketing, which he won by going in as a substitute for mayor Henning Jensen of Vejle. However Nielson has given the party a hard time with his clearly right-wing views and he could easily be beaten by someone like Jan Trojborg, an engineer and a city councillor.

In Arhus former Folketing member Sonja Mikkelsen has a chance to recapture her seat. This could occur at the expense of Karl Hjortnaes, who has served as justice minister, tax minister and fisheries minister.

In North Jutland Kjeld Olesen is leaving the district and he could be replaced by Frank Jensen or executive committee member Lis Benfeldt.

In West Sjaelland County, Soren Hansen has moved in to replace former Interior Affairs Minister Egon Jensen, now deceased. Hansen has taken over Jensen's district in Slagelse and has improved his election chances, but he is threatened by his old district's new candidate, Jytte Madsen.

In Funen HK chairman Jorgen Eiberg, who was first alternate, has given up his candidacy. A replacement for him has not yet been found, but the candidate for the Kerteminde district is also being mentioned in Odense. This is Erling Christensen, mayor of Aarslev, who with an unusually good municipal election behind him is said to have an excellent chance. This could be at the expense of Paul Lohmann or Soren Norgaard Sorensen.

If the Radical Liberals maintain their present level of strength the most certain outstanding renewal in the Radical Folketing group will probably be the election of Keld Anker Nielsen of the Skive district, as a replacement for Dagmar Mork Jensen. The Skive district, a Radical stronghold, lost its representation when the district's newly-elected Folketing member, former education director and parish pastor Asger Baunsbak Jensen, had to resign his seat immediately after the election because of illness. Dagmar Mork Jensen moved in as first deputy.

Keld Anker Nielsen is vice chairman of the party and on several occasions he has made a name for himself as being less friendly to the government than party leader Niels Helveg Petersen. The Skive district, whose political front man is Hans Larsen, the editor of SKIVE FOLKEBLAD, traditionally belongs to the party's right wing, however, and Larsen has demonstrated his ability to hold Keld Anker Nielsen on a short rein. When Keld Anker Nielsen spoke positively in the summer of 1986 about a Radical-Social Democratic-SF co-operation he had to sign a statement for his district soon afterward that he supported Helveg's economic and political course.

The seat of Radical Liberal security policy spokesman Arne Stinus is in danger; he was elected in Storstrom County, which is losing population and

might have to give up its additional Radical seat to Roskilde County, where population is increasing. In that case it would go to teacher Marianne Jelved, who is a strong person in the party organization. She is a member of the party's executive committee and a member of the Gundso municipal council.

The latest Gallup poll indicated that the party would gain one seat. This could be in Copenhagen County, Sonderjylland County, Ringkøbing County or Ribe County.

In Copenhagen, executive committee member Grete Bille Paulsen is a strong contender, in Sonderjylland a vacant district makes it hard to guess, in Ringkøbing County Dagmar Mork Jensen would be the most obvious person and in Ribe it would be Birthe Knudsen of Esbjerg.

It looks as if charming younger women and new ministers will renew the Conservative Folketing group after the election. Former party chairman and Industrial Affairs Minister Ib Stetter is leaving Folketing. Cultural Affairs Minister H.P. Clausen, who seems sure to be elected, will run in his county district.

Industrial Affairs Minister Nils Wilhjelmsen is less secure, however. He is running in the Frederiksborg County district, as a successor to Arne Lund, former director of the Danish Employers' Confederation. In 1984 Arne Lund won by a narrow margin over Foundry Employers' Association information director Peter Sterup. This time the ministerial effect is on Wilhjelmsen's side, but the size of the district is a plus for Sterup.

Younger women are expected to replace departing older ones. This is true of Karen Thuroe Hansen of Horsens who is resigning. It is expected that she will be replaced by political scientist Pia Christmas Møller.

In the Århus County district, Alice Brask has replaced recently deceased Elisabeth Krog, but Alice Brask is not expected to be able to retain the seat in an election. The seat is expected to go to a staff worker at the party's Christiansborg secretariat, legal expert Pernille Sams, who is running in Randers.

In the Ribe County district, Lis Aaltonen may have trouble defending her seat. It was thought in the last election that she benefited as a result of her position as mayor of Vejle. She has since lost that post. Director Allan Malskær has a chance to beat her.

In Copenhagen there will be changes, but the outcome is still wide open. Hagen Hagensen is leaving and Birgit Fogh-Andersen may leave too. But it has not been decided who will replace them.

The executive committee of the Socialist People's Party will probably deliver three strong men to the Folketing group in the next election: lecturer Age Frandsen, vice chairman of the party, law clerk Holger K. Nielsen and teacher Jørn Jespersen.

This would decisively change the balance of power between the SF Folketing group and the party organization. If SF makes the enormous jump from its present 21 seats to the 27 the opinion polls have long been predicting, only one of the people likely to be elected has not served on the party's executive committee for a shorter or longer period of time.

Even if there is no change in the number of votes, Holger K. Nielsen is sure to be elected because he clearly came out ahead of current Folketing member Ruth Olsen in the internal party vote on nomination order.

If the party does win 27 seats the new Folketing members, in addition to Age Frandsen, Holger K. Nielsen and Jorn Jespersen, are expected to be: psychologist Birgitte Husmark (elected in Frederiksborg County), Nyborg Semiskilled Workers Union chairman Einar Larsen (Funen County) and machinist Ib Bjorn Poulsen (North Jutland County).

The last new seat could go to Ringsted deputy mayor Kurt Bernheim (West Sjaelland County), city councillor Villy Sovndal of Kolding (Vejle County) or Margit Petersen (Vestre district in Copenhagen).

With the entry of strong people from the party apparatus, the party organization's views will initially be more strongly represented in the Folketing group. Age Frandsen told BORSENS NYHEDSMAGASIN that "typically it is the party's middle people" who are running for election. "And if one thinks there are right-wing tendencies in the Folketing group it would be fair to say that the emphasis will be shifted somewhat."

A stronger center faction in the Folketing group would undoubtedly restrain the forces in the group--represented by such people as Lilli Gyldenkilde, Kjeld Rahbaek Moller and Steen Gade--who are most eager for a government co-operation with the Social Democrats.

However in the longer perspective there is little doubt that the party organization will be weakened with respect to the Folketing group as the new Folketing members gradually become socially and mentally integrated with their Christiansborg activity. This can help to create the classic conflict between the Folketing group and the party organization, especially if SF becomes a support party for a Social Democratic minority government.

In the middle of the Danish political spectrum, the Center-Democrats appear likely to get the party's former political spokesman and present vice chairman Yvonne Herlov Andersen back in the group after she lost her seat in 1984.

Party chairman Erhard Jacobsen has decided to run in Frederiksborg County, where Rene Robert Brusvang, who died recently, was elected. At the moment Brusvang is being replaced by Addi Andersen, who has no chance of being re-elected with the party chairman in the district. Erhard Jacobsen is leaving the Funen County district to Yvonne Herlov Andersen, who is now fairly certain to be elected. In the last Gallup poll the party looked as if it might lose a seat, which will probably knock out Bente Juncker of Copenhagen's Ostre district.

The Liberal Party is the party of stability. Almost the entire Folketing group is certain to be re-elected if the party keeps its present strength of 21 seats--which most opinion polls predict. There are only two areas where there will be any excitement in connection with the personal vote results.

In Ringkøbing County there may be a hard fight between former Folketing members Henrik Toft and Anders Poulsen and current Folketing members Hanne Severinsen and Helge Sander for the county's two district seats. Hanne Severinsen was the big vote getter last time with 11,000 personal votes, but the three men each received around 6,000 votes with Sander winning. In the coming election Hanne Severinsen will be greatly handicapped by her tax issues, which cost her votes among the party's core voters in Jutland. That would give Anders Poulsen in particular a good chance, as he is known for his severe criticism of tax reform.

In West Sjaelland County there will probably be a close race between farmer Hans Jorgen Holm, former Folketing member and labor market spokesman, and Elsebeth Kock-Petersen, former social affairs minister.

In the last election Kock-Petersen beat Hans Jorgen Holm by only 800 personal votes. They each represent a political wing in the Liberal Party. Kock-Petersen is very ideological in her orientation and wants the party's policy to have a more liberal profile, while Holm is more of a pragmatist. At the last Liberal congress he tried in vain to prevent the congress from voting to work for a ban on exclusive labor market agreements.

On the outer edge of the political spectrum, the Left-Socialist Party [VS] will have to rely on the nationally known former city planning mayor of Copenhagen, Vilho Sigurdsson, as the new magnet for VS votes in the coming Folketing election if the party is able to edge above the cutoff point again at the last minute.

Sigurdsson is Number 4 on the latest VS Top 20--the annual party voter preference list of Folketing candidates--and he is certain to be elected if VS holds the fort with its current five seat representation.

The latest opinion polls put the party below the cutoff barrier with an average rating in opinion polls taken from August to December 1986 of between 1.4 and 1.8 percent. It seems to be especially the loss of Anne Grete Holmsgaard and Jorgen Lenger, who went over to SF, that led to the negative results in the voter barometer, but groups within the party are now putting their faith in Vilho Sigurdsson, who has been a vote getter in Copenhagen municipal elections, in the hope that he will be able to attract the attention the party needs.

With Sigurdsson in the foreground during the party's media appearances, VS should have a chance of attracting some support among young, leftist-minded voters who feel SF has gone too far to the right with its overtures to the Social Democrats. As a rule Sigurdsson can be relied on to make strong statements that attract public attention.

At a public meeting in Copenhagen last November that was jointly sponsored by SF and VS concerning the squatter conflict in Ryesgade, Sigurdsson made himself the spokesman for violence as a political strategy:

"The next time they should step up the violence so much that Weide and Eefsen (Copenhagen mayor Egon Weidekamp and Copenhagen police director Poul Eefsen, Ed.) shit in their pants. That is the language they understand. Then the squatters would get what they want. I will say, though, that it would be better if things could be solved without violence, but in crucial situations the important thing is to keep up the pressure," Viljo Sigurdsson said, according to reports in AKTUEL on 20 November 1986.

The four others who can expect to be elected if VS keeps its five seats are current Folketing members Elisabeth Bruun Olesen and Keld Albrechtsen, lecturer Birgitte Prytz Clausen and equal rights consultant Benthe Stig.

If the election is not held before the fall of 1987 a new Top 20 vote, to be held in May, could change the VS candidate lineup.

The founder of the Progressive Party, Mogens Glistrup, reached his zenith several years ago and his star has been fading for a long time, but he is sure to be re-elected to Folketing if the Progressive Party gets the five or six seats the latest opinion polls seem to indicate. Together with a group consisting primarily of loyal hardliners, the politically reborn campaign leader could be an especially difficult cooperation partner for a nonsocialist government that may well be forced to depend on Progressive support.

The first Progressive seat is expected to go to North Jutland County, where the party is traditionally strong. Here herd manager Kristen Poulsen was elected last time, but he is being challenged in the next Folketing election by the aggressive real estate agent and former Folketing member Kirsten Jacobsen, who is running alongside Poulsen. She is a well-known name in North Jutland and can expect quite a few personal votes. But it is doubtful that she can beat the popular herd manager, who in the last election received about three times as many personal votes as Kirsten Jacobsen.

The party's second seat will probably go to Copenhagen County, where Mogens Glistrup is almost 100 percent certain to be elected. Folketing will then have to decide whether he is eligible to be elected, but now that he has served his sentence a Folketing majority is expected to confirm his eligibility.

After the last election Glistrup was replaced by domestic assistant Pia Kjaersgaard, who was first alternate. Kjaersgaard is running in Funen County this time in place of Ole Maisted, who defected to the Liberal Party. In this election district Kjaersgaard, who is the party's political spokesperson, is certain to be elected.

The remaining three seats are expected to go to Kim Behnke, organizational vice chairman of the Progressive Party (Arhus County), and current Folketing

members Helge Dohrmann, group chairman (Sonderjylland County), and Ove Jensen (Ringkobing County).

Progressive Party sources feel that with this lineup the party will have a strong position in a cooperation with a new nonsocialist government that is dependent on Progressive support. After the party showdowns in recent years, almost all the softliners are gone and there seems to be agreement on pursuing a hard cooperation line, with the Progressive Party demanding a steep price for keeping a nonsocialist government alive.

6578

CSO: 3613/42

TWO-YEAR POLL TREND DISAPPOINTING FOR COALITION PARTIES

Copenhagen BERLINGSKE TIDENDE in Danish 11 Jan 87 p 8

[Article by John Wagner: "Intervention Costly for Government"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] The four government coalition parties and the Radical Liberals have lost voter support in 86 of the 111 opinion polls that have been carried out since the Folketing election on 10 January 1984. The five nonsocialist parties have made gains only 22 times. But the Social Democrats, the Socialist People's Party [SF] and the Left-Socialist Party [VS] have made gains in 85 opinion polls. This was shown by a dramatic analysis the Sunday edition of BERLINGSKE TIDENDE has made of all the polls conducted in the last 3 years.

The contract intervention in the spring of 1985 and the Easter package in the spring of 1986 are the two things that have cost the nonsocialist parties the most voter support.

This is shown by an analysis of the 111 opinion polls conducted by the four big opinion institutes--Gallup for BERLINGSKE TIDENDE, Vilstrup for POLITIKEN, Observa for MORGENAVISEN JYLLANDS-POSTEN and AIM for BORSEN--since the Folketing election was held 3 years ago on 10 January 1984.

The analysis reveals that the four government parties--the Conservatives, the Liberals, the Center-Democrats [CD] and the Christian People's Party--have lost voter support in 86 opinion polls, while the so-called government alternative made up of the Social Democrats and SF has won new support in 85 polls.

The four government parties and the Radical Liberals have only been able to celebrate 22 times when the five parties behind the government's economic policy received increased voter support. The three parties to the left of center--the Social Democrats, SF and VS--have lost support only 22 times.

That is the status of public opinion at the beginning of the last quarter of the 4-year election period.

These are the facts about the voters' attitude toward the government and the opposition that must be included in Prime Minister Poul Schluter's reflections

concerning the best time to hold the next election--before or after the contract negotiations. Or perhaps not before 10 January 1988.

Conservatives

The Conservative Party, the party of Prime Minister Poul Schluter, has been basking in the so-called prime minister effect. In 80 polls the party has noted progress, while it has lost ground in only 28 polls.

In the January 1984 election the Conservatives received 23.4 percent of the votes. In three polls last winter the party had a rating of 27 percent, but since then and following the passage of the Easter package in the spring of 1986 a decline has been noted in 16 out of 31 polls.

The same was true after the contract intervention in the spring of 1985 and a similar tendency could be detected in the wake of the "potato cure."

The analysis clearly shows that Conservative voters react negatively to economic intervention. The party registered its lowest voter support rating since the last election in an Observa poll in December--namely 21 percent.

Liberals

Denmark's Liberal Party has suffered from the "foreign minister effect," i.e. party chairman Uffe Ellemann-Jensen's many trips abroad. The fact that the party leader is not home has cost votes--something that could also be observed when Ellemann-Jensen's predecessors, Poul Hartling and Henning Christophersen, were foreign ministers in the Liberal-Conservative-Radical Liberal [VKR] coalition government and the Social Democratic-Liberal [SV] government.

In the 1984 election the Liberals received 12.1 percent of the votes. The party has noted gains in 29 polls--up to 15 percent in one Vilstrup poll in April 1986--but a decline could be seen in 80 opinion polls.

In a Vilstrup survey in September 1986 the Liberals received only 10 percent of the votes, but otherwise the tendency has been for the party to show considerably more "gains" in 1986 (in 17 out of 29 polls than in 1984 and 1985.

Center-Democrats

The Center-Democrats [CD], like the government's second largest party, the Liberals, have had more "setbacks" than "gains." In the 1984 election CD received 4.6 percent of the votes. It has shown a gain in 15 polls--as much as 5.2 percent in an AIM poll in August 1986. But as many as 96 times--only the Progressive Party has shown poorer election prospects--Erhard Jacobsen's party has noted a decline.

Once, in a November 1985 Gallup poll, CD suffered the embarrassment of getting less than 2 percent of the votes and as recently as the December 1986 Vilstrup poll the party was teetering on the 2 percent cutoff line.

Christian People's Party

If the opinion polls are to be believed, the Christian People's Party is still having the biggest problems with the 2 percent cutoff limit. In the 1984 election the party received 2.7 percent of the votes. Since then the party has made gains 20 times, but this has been clearly overshadowed by 84 "declines."

True to tradition, the Christian People's Party swings back and forth. The party has had a voter support level of less than 2 percent on six occasions, most recently in the November Gallup poll, but only a month later the party had a rating of 4 percent in a Vilstrup poll.

Four Coalition Parties

The four coalition parties--the parties represented in the government, the Conservatives, the Liberals, CD and the Christian People's Party--received a combined total of 42.8 percent of the votes in the election 3 years ago. Since then their support level has gone down more often than it has gone up.

The four parties have noted gains 40 times while they have suffered declines 69 times. It is worth noting that the four coalition parties have never all made gains at the same time. However on 12 occasions all four suffered declines, most recently in the latest Gallup poll from December in which the four coalition parties registered a support level of 40.7 percent, 3 years after the election in which they received 42.8 percent of the votes.

It is interesting to note just when the government parties have had their ups and downs.

The four parties had their largest voter support rating in a February 1986 Gallup poll--after the passage of the Christmas package, when the government was still declaring firmly that there would be no more "packages."

The lowest voter support rating to date, on the other hand, was noted a few months later--38 percent in a May 1986 Vilstrup poll--when the Easter package had become a reality.

But the most noteworthy thing is the tendency:

In 28 of 40 opinion polls carried out before the contract intervention in the spring of 1985, there were gains in support for the four coalition parties.

In the next 14 polls after that, only declines were noted.

From the 1985 summer recess, when the waves had died down after the contract intervention, to the passage of the Easter package in the spring of 1986, the

government parties noted gains in nine polls and declines in 16. Some degree of "restoration" could be detected, but even so...

Since the Easter package was passed the four coalition parties have noted gains in only three out of 31 opinion polls. The tendency is quite clear.

Radical Liberals

The Radical Liberal Party, the government's support party on economic policy issues, has had the same difficulty as the four coalition parties when it comes to maintaining voter support during the last 3 years.

In the election the Radicals received 5.5 percent of the votes. Since then there have been 18 "gains," 10 of them in the first half of 1984, and 89 "declines."

The party received its highest support rating so far in the latest Gallup poll, namely 6.1 percent, while in an AIM poll in the spring of 1985, when the party was threatened with an election during the Easter package negotiations, it had a rating of only 3.1 percent.

Budget Parties

The budget parties are the five parties--the government parties plus the Radical Liberals--who have backed the government's economic policy, i.e. the five budgets and various "packages," since 1982.

In the 1984 election the five parties received 48.3 percent of the votes--enough for a voting majority in Folketing with the help of the North Atlantic seats and two "defectors" from the Progressive Party, John Arentoft (now a Conservative) and Ole Maisted (now a Liberal).

Naturally the tendency in the poll ratings of the budget parties does not differ much from the trend for the four coalition parties, but it does strongly emphasize the government's problem: holding onto its slender parliamentary majority.

The budget parties have noted gains only 22 times and 13 of these occurred in the first half of 1984.

On 86 occasions--including the last 35 polls in a row--the five parties registered declines. This fact must also be included in the government's reflections about when it will be expedient to hold the next election. The tendency is indisputable.

Progressives

In the 1984 election the Progressive Party lost its position as the party that tipped the scales and thus lost much of the influence it had before in connection with such things as the so-called Rio Bravo compromise in the fall of 1983.

Mogens Glistrup's heirs received only 3.6 percent of the votes in the election. And since then things have looked black for the four Progressive politicians in Folketing. The party has noted gains only eight times--up to 4 percent in three of the last 11 polls--while it noted declines 102 times (a record in this respect).

On 12 occasions the Progressives have not reached the 2 percent support rating that is the entry to Folketing. Eight of these occurred in the winter of 1985-86--in other words before the Easter package was adopted.

Nonsocialist Parties

Although the Progressives have helped to bring down a nonsocialist government several times, many people predict that after an election the party (if it is still represented in Folketing) will prefer to support a new nonsocialist government than a government headed by the Social Democrats.

Therefore it is also relevant to analyze the trend for the government parties plus the Radical Liberals and the Progressives.

The six nonsocialist parties received 51.9 percent of the votes in the election 3 years ago. Since then there have been 15 "gains," 11 of them in the first half of 1984, and 96 "declines." The six parties had their highest support rating in an Observa poll right after the election, namely 54 percent, and their lowest in the November 1985 Gallup poll, namely 44.6 percent.

It is worth noting that the nonsocialist parties as a group have had lower voter support levels than they had in the last election in the last 50 polls. But that has not prevented the six parties from getting 50 percent of the votes or more in 54 out of the 111 polls.

It is also interesting in this context to see when the majority disappeared. This occurred in 10 polls right after the contract intervention in 1985 and in 14 polls after the adoption of the Easter package. The same tendency could be seen after the "potato cure."

Social Democrats

The Social Democrats do not seem to be winning new voters just because they oppose a government that is losing voters.

In the 1984 election the Social Democrats received 31.6 percent of the votes. Since then the party has had 46 "gains," 31 of them in the first year and a half after the election and only 15 in the next year and a half. On 65 occasions the Social Democrats have noted a decline in relation to their election result.

The party achieved its highest voter support level so far about a year ago, when it received a rating of 33.4 percent several times. After the contract intervention in 1985 the party won voter support--a clear tendency. But there

was no corresponding tendency in the aftermath of either the Easter package or the "potato cure."

The Social Democrats have registered a support level of only 28 percent on several occasions--most recently in the November 1986 Observa poll.

Socialist People's Party

The Socialist People's Party is the record setter when it comes to leaps in the opinion polls.

In the 1984 election SF received 11.5 percent of the votes. Since then it has had gains 108 times and declines only twice, while in a single poll the party maintained the status quo.

SF had its biggest gain in the October 1986 Gallup poll, which gave the party a rating of 18.1 percent. The party received a rating of only 12.9 percent in the December poll, however.

Left-Socialists

In contrast to SF the Left-Socialists have seen little but declines in the polls in relation to the 1984 election.

In that election VS received 2.7 percent of the votes. Since then the party has had 17 "gains," 14 of them within the first year after the election, and 92 "declines."

On 29 occasions VS has not had enough voter support to be eligible for representation in Folketing, 17 times in the last 30 polls, in other words since the spring of 1986.

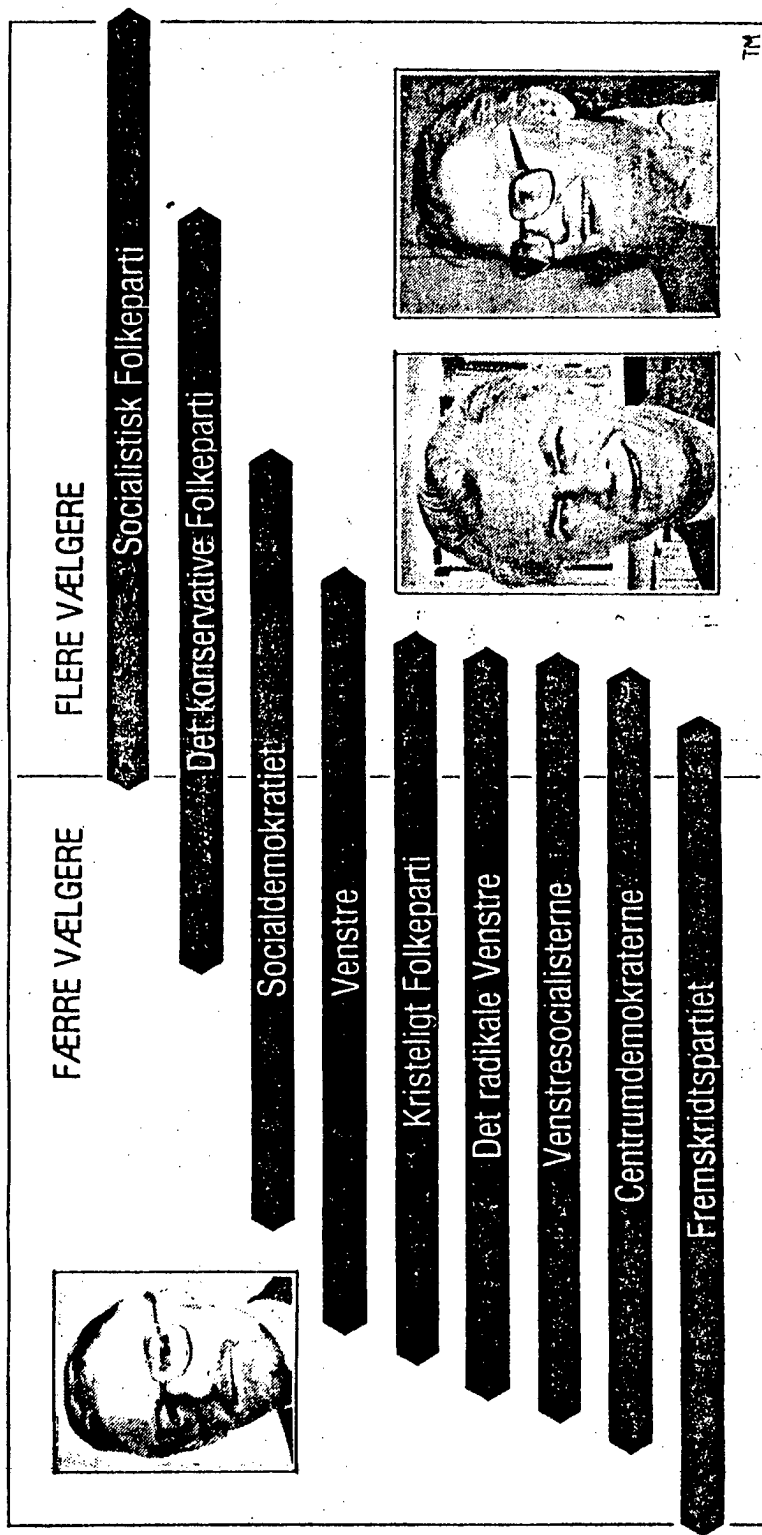
So-Called Alternative

In relation to the debate over a so-called government alternative consisting of the Social Democrats and SF, it is interesting to see how things have gone for the two parties and VS in the polls.

In the 1984 election the three parties received 45.8 percent of the votes. Since then they have made gains 85 times and noted declines 22 times.

It is worth noting here that since the 1986 summer recess of Folketing a decline has been noted for the combined forces of the Social Democrats, SF and VS in eight out of 19 polls. Each time this was due to the failure of VS to come over the 2 percent cutoff limit that is required for a party to be represented in Folketing.

There has been a "red majority" six times--and here it is worth noting once more that the red majorities in the polls came just after the contract intervention in the spring of 1985, the Christmas package in December 1985, the Easter package in the spring of 1986 and the "potato cure" in the fall of 1986.



Helge Dohrmann, chairman of the Progressive Folketing group, lost support in 102 out of 111 opinion polls conducted since the last election. Conservative chairman, Prime Minister Poul Schluter, and SF chairman Gert Petersen can rejoice over increased voter support. But things are not going well for the government according to an analysis made by the Sunday edition of BERLINGSKE TIDENDE. On the contrary. The illustration shows how many times each Folketing party has gone up or down in the opinion polls.

- Key:
- | | | |
|-----------------------------|-----------------------------|-------------------------|
| 1. Fewer votes | 5. Social Democrats | 9. Left-Socialist Party |
| 2. More votes | 6. Liberals | 10. Center-Democrats |
| 3. Socialist People's Party | 7. Christian People's Party | 11. Progressives |
| 4. Conservatives | 8. Radical Liberals | |

What Will Happen After Next Election?

We have heard warnings from several quarters, including Conservative group chairman Knud Ostergaard, that the four-party coalition government cannot survive very long if it has to depend on the Progressive Party once more after the next election. A situation that is often described as "Schluter's nightmare."

Therefore it is interesting to conclude this analysis by seeing how the budget parties fared in the polls in comparison with the so-called government alternative. In other words: who received the greatest voter support when?

The analysis shows that the five parties backing the government's economic policy had a larger share of voter support than the three parties backing a future government headed by the Social Democrats in 52 of the 111 polls. Of these, 33 occurred in the first half of the 3-year period that has elapsed since the election. And the analysis further reveals that the majority support for the government disappeared for longer periods of time after both the contract intervention and the Easter package.

The tendency is clear: the voters are most apt to desert the four coalition parties when they join forces with the Radicals to assume the heavy responsibility of restoring balance to the Danish economy.

6578

CSO: 3613/42

GISCARD SEES UDF ROLE INCREASE AS OPINION MOVES TO CENTER

Paris LE FIGARO in French 29 Jan 87 p 6

[Interview with Valery Giscard d'Estaing, former president of the Republic, by Daniel Seguin]

/Text/ The founder of the UDF is confident that his confederation will emerge as a potent centrist force fit to speak for the rising political power in French society. This coming Saturday, UDF will gather in national convention, its first since 1983. That gives you some idea of how rare such summit meetings are among all the disparate components of the Giscard-Leotard-Barre "confederation."

Founded in 1978 to muster the ragged non-RPR forces of the majority at the time, so as to avoid going into the national elections in disarray, UDF is now looking forward to its 13th anniversary. UDF's founding father, whose very name is a permanent reference to his book, "French Democracy," Valery Giscard d'Estaing is using this milestone year to spread the word about the genesis of his maverick political party. Beset on more than one occasion with threats to its unity, it has managed to overcome more than the usual quota of problems, and, come Saturday, it will do its best to demonstrate that it is still firmly united despite a spate of pre-election turbulence. For the occasion, Valery Giscard d'Estaing will make a speech—something the more remarkable in that Raymond Barre will not be there, having chosen to attend the Davos symposium, as he has done for a number of years.

[Question] The UDF is now 9 years old; why, in your view, is this regrouping that was so needed yesterday still indispensable today, and perhaps tomorrow as well?

[Answer] The political landscape has changed considerably since 1978, but the need is still the same. But we have lived since the birth of the 5th Republic on the idea of a France cut in half, summed up in Andre Malraux's exclamation: "There is nobody to stand between us and the communists!"

Since then, developments have revealed a powerful centrist group that has become the rising power in French society. It was vital that this centrist group be given some public outlet, and that was

the starting-point and the mission made for the UDF: to represent that force. We might even turn around Andre Malraux's dictum: "Between us and the communists, there is now half of the French electorate."

Shared Structures

[Question] In the light of the experience of those 9 years, has the UDF evolved as you hoped it would, should it undergo another metamorphosis? And if so, in what direction?

[Answer] Over the past 9 years, the need for UDF to exist has been proved. I would hope that we shall see a more tightly-structured UDF, making more efficient use of the winning cards it holds. UDF is a family reunion of political parties, and it is altogether normal for each of them to retain its individuality, but I should like to see them strengthen and develop their shared structures. That would have happened if we had won in 1981, and France today would have a party as powerful and representative as the CDU in Federal Germany. Our defeat in 1981 slowed that process, but I hope that the union parties will gradually carry the day against the faction that would scatter them.

[Question] You frequently assert that the UDF should be the keel of the French ship of state, but don't the temptations of bipolarization in our country constitute a handicap for the center?

[Answer] The allure of polarization is fading. The French are weary of political manicheism. They no longer believe in the ancient black/white dichotomy. They know that a lot of people individually have grasped a snippet of the truth, and that we must try to achieve a synthesis.

If I use the metaphor of the ship's keel, it is to make it clear that the stability of a country, like that of a ship, depends on an oscillation around a position of equilibrium. France must no longer have to choose between two halves of the country to govern, while ignoring the concerns and aspirations of the other half: it costs too much. France must be able to choose, by itself, the way it wants to be governed on the basis of a central consensus, by which I mean the accent people want to put on political actions to be given top priority.

[Question] You often speak of the unity of the French people, letting it be understood that UDF has a privileged role to play in this national reconciliation: why would the UDF be better than any other party in playing that role?

[Answer] To begin with, because UDF is itself in search of unity. It brings together men and women who belong to parties hitherto very different from one another, and which have even, on occasion, been actually at swords' points: the Liberals, the Christian Democrats, and the Radicals. Their coming together again is the first example of the French reunion.

Secondly, because every quest for consistency must necessarily begin from the center. UDF, holding a centrist position, constitutes the center of gravity, the point where we can rationally and calmly prepare for and achieve French union.

Expanding the Social Dialogue

[Question] So the UDF is the confluence of centrist and liberal mainstream. Yet cohabitation between these two forces is often scorned as contradictory. Is no such marriage possible?

[Answer] Yours is a very interesting question because it puts its finger right on the nature of the problem we have to solve. France will never succeed in winning out in world competition if it does not first achieve consensus on the content of its economic and social policy. The catch is, though, that France's social and economic policy has always been split into two factions: the liberal faction, which put the economy first, and the social faction, which argued that priority should go to distribution of resources. Our German neighbors understood long ago that there must be a synthesis of these views—which they call a social market economy. I myself have been trying since 1974 to convince the French that they had to accept both liberalism and social consciousness as rules of the game. The UDF's mission is precisely that: to convince public opinion that there must be a shift away from perceiving these two values as antithetical to their perception that they must be combined.

[Question] The events of recent weeks, especially the angry strikes, your liberalism with a social conscience is still an attractive motto, but it has a long way to go before it takes on some practical content: how would you make it a practical reality?

[Answer] I don't know whether or not the general public is aware of the harm we have done the world through these latest social upheavals. France's image has been badly damaged. Why? Because world opinion had decided that we were incapable of dealing effectively with the inevitable contradictions in modern society, and of exercising some control over the somersaults that disturb it. Liberalism with a social conscience means practical action.

The first practical move is to reconcile, without crisis and without waste of energy, the conflicts of interest that occur as a matter of course in economic and social life. Hence the need for enhancing the social dialogue and for modernizing the the disciplines of business. That has generally been achieved in the private sector, but we have just seen that there is still a long way for the public sector to go.

The second consequence is never to forget that the free market economy deals with the concerns of those who are involved in the production cycle, but does not automatically take notice of the hard lot afflicting those who are excluded: young people, old people, workers and managers in sectors undergoing decline. Political leaders must step into the breach to deal directly with these problems and ease the tensions stemming from them. This is the other side of social consciousness.

6182

CS0: 3519/68

CHANGES IN DGSE LEADERS PREDICTED

Paris LIBERATION in French 30 Jan 87 p 7

[Article by Jean Guisnel: "DGSE [General Directorate for External Security]: Colonel Moreau's Mistake;" first paragraph is LIBERATION's introduction]

[Text] The DGSE's director of counter-espionage ambles about in the Beirut powerkeg. He is so visible that the AFP [French News Agency] mentions it in a dispatch which makes the minister hit the roof. Moreover, the director of intelligence will soon be replaced.

In a man's life, there are some fits of anger that count. Andre Giraud's fit of anger, which began early in the evening on Thursday, 22 January, is one such. At exactly 1917 hours, an AFP dispatch came across the computer terminals set up at the Defense Ministry. It was short: 50 words.

But it was certainly a surprising one. Bearing a Beirut dateline, it said that the Christian "Voice of Lebanon" radio had just announced that a certain Colonel Moreau, "an officer in the DGSE," had been on a mission to the Lebanese capital since the beginning of the week, and that he had met the Maronite patriarch Monsignor Nasrallah Sfeir in the presence of Jamil Nehme, the head of security... What the radio did not say but which Andre Giraud knew, of course, was that this Colonel Moreau was not just any intelligence officer. He is in fact the DGSE's director of counter-espionage, one of four branches the "house" and, as such, one of the closest colleagues of General Imbot, the general director of services. While the Directorate of Territorial Surveillance [DSI] looks after domestic counter-espionage, Colonel Moreau, is in direct charge of keeping an eye on all foreign "anti-French" activities. He is as a result the possessor of great numbers of secrets about intelligence operations or about action France has decided to take, and he brings together all the "sensitive" information held by the DGSE, takes part in meetings on terrorism with the DST and Western intelligence agencies...

When Andre Giraud learned that such a key man was quietly walking about in the Beirut hornet's nest, in full public view, he exploded. It took only a few minutes after the wire service dispatch had arrived for a coded telegram from the defense minister to be sent off in the opposite direction notifying Colonel Moreau of the order to return to Paris immediately. It was not known what fate Andre Giraud held in store for him. The silence on this matter from

his offices, when questioned by us, was total and a policy of "no comment" is in effect where this matter is concerned. But it would currently appear that a successor to the all too visible colonel is being sought.

It was not known if Andre Giraud was aware that the officer had left for Beirut. For the time being, there is no answer to this question... It is nonetheless astonishing that such a trip, if it had been deemed necessary by the government, should not have been cloaked in extreme secrecy at the point of destination. For several months, in order to head off possible kidnapping attempts, all trips to Lebanon by French officials have needed the express permission of the Prime Minister, who, for example, forbade several deputies from visiting the French contingent of the UN Interim Force In Lebanon. That the DGSE might have sent Colonel Moreau to Beirut without reporting it, or that his trip may have been uncovered owing to a lack of discretion, does not change matters: once again the French military intelligence services have given the impression that they are behaving like amateurs. They could well have done without, given their deeds during 1985...

Moreover, Colonel Moreau's blunder occurs in a difficult context for the DGSE, considered by the government, after 10 months' experience, to be a tool lacking in efficiency. We know that General Imbot's departure, which had been seriously considered by Jacques Chirac, was finally turned down by Francois Mitterrand, who believed that the agency had a particular need for stability and calm in the wake of the Greenpeace affair. However, Andre Giraud thinks that the ranks have to be renewed and is going about and doing this. For example, he has just decided that General Roger Emin is to go; General Emin, who heads up one of the major DGSE agencies, the intelligence agency which employs most of the directorate's 3,000 employees and is responsible for managing the "honorable correspondents," assumed his post in November 1982. He will soon be replaced by General Jean Pons, who, until 4 November 1986, was the assistant commander in chief of the UN Interim Force In Lebanon. The government had particularly admired his work and his efficiency last year when the French contingent in Lebanon was attacked, and it feels that in the future he will be able to help rebuild the DGSE. The future will show whether this guess is a good one...

12789/12851
CSO: 3519/67

SOURCES OF FINANCING FOR LABOR UNIONS

Paris LE POINT in French 2 Feb 87 pp 33-37

[Article by Sophie Coignard: "Unions: Where the Money Comes From"; first two sentences are LE POINT's introduction]

[Text] Four billion francs in miscellaneous subsidies, 10 billion francs in free labor and less than 2 billion in membership dues. This is the picture of unionized France, a small minority carried in the arms of the public authorities and the taxpayer.

An ultramodern building lit by an immense glass roof, containing a vast hall and taking up eight stories dominates an ugly garden of concrete. The CGT's headquarters in Montreuil, completed at the beginning of the eighties, is a solemn and futuristic sight. How much did the building cost? Three hundred twenty million francs, a more than tidy sum for a union whose budget did not exceed 20 million francs per year when the construction was decided upon. By means of what subtle financial gymnastics did the CGT accomplish this feat? With state aid? Unthinkable. At the time, the CGT constantly accused Giscard's administration of "increasing the obstacles" to this project. However, the actual financing says a lot: 5 million francs in special subsidies from the Ministry of Labor and more than 40 million in low-interest loans at the very competitive rates of from 8 to 10 percent. And to calm the bankers there was the guarantee of the county council of Seine-Saint-Denis and the city hall of Montreuil, both with a Communist majority.

However, Ernest Deiss, secretary of the CGT, believes these displays of benevolence are not much. "A project with an undeniable usefulness for the unions should be able to obtain special financing that, like the vocational training grants, includes everything, both the investment and the operation," he calmly stated on this subject in his 1985 financial report.

Is this just one-upmanship? Undoubtedly, but moreover it is an old French habit, because the CGT is not an exception. For ages all the unions have been more or less living off the state. What is more, they would perhaps not survive without the extravagances of a Republic that has gone too far. This has been a blessing for organizations which, as we saw with the strikes in January, have not really been getting their money from their members.

This cruel truth for Henri Krasucki, Edmond Maire, Andre Bergeron, Paul Marchelli, Jacques Pommataut and Jean Bonnard has been examined in a still confidential study done by Gerard Adam and Hubert Landier*, two specialists on labor issues. It is an explosive document: after one year of study these experts estimate that the many subsidies made available to the unions by the government are worth nearly 4 billion francs. This 4 billion should be added to the monetary equivalent of about 10 billion, which is the cost of the unpaid labor provided to the workers' councils. According to Adam and Landier France has, at the most, 3 million union members (18 percent of salaried workers) paying average dues of 0.8 percent of their salaries, of 624 francs per year. Total membership dues, if all the organizations are taken together, comes to 1.872 billion francs. This is less than half of the cost supported by the diffuse mass of the state to subsidize the needs of the unions.

So, are the public authorities holding these organizations at arm's length? It is difficult to evaluate this hidden financing precisely. The various subsidies that the state and its many branches give the unions make up a denser jungle than the public subsidies to business. Nobody in this area seems to have the slightest taste for openness. The unions apparently keep their financial situation as the greatest of secrets. Victims of weakness and of the continued decline in the number of members, for years they have been bluffing in such a way that it would be impossible to reveal the truth. A few years ago the CFDT very timidly tried to open its ledgers. It gave up when its competitors remained silent, for fear of being the only union to lose members. On the income side the CGT's operating account is reduced to 3 lines: dues, economic council and "miscellaneous," which accounted for over 4 million francs. It is impossible to verify or to interpret such a document. The Workers Force is hardly any more explicit and some specialists suspect that Andre Bergeron's organization has "moved" some of the subsidies to the heading of dues. Only the CGC publishes documents each year which rather faithfully reflect its financial situation. "We have nothing to hide," explained its president, Paul Marchelli, "because we are definitely the underdog in the area of state subsidies when compared to the CFDT, the CGT and FO. We invite every union to imitate us."

For their part, the givers are not any more loquacious. Each ministry hides the aid that it gives among the entries in its budget. It happens that employer/employee organizations, such as retirement funds, refuse to answer any questions about the director's fees given to the union trustees. Local communities, of whatever political persuasion, prefer to remain discreet about the kindnesses they bestow on the local workers' unions. This silence hides a mosaic of large and small aid which takes many forms and verges on illegal favors and rackets.

Five major sources can be distinguished, however:

* "Study on the Cost of Operating the Organizations Which Represent Employees." Center of Labor Observation, 16, boulevard Raspail, 75006 Paris. Tel: 45.49.16.66

--Subsidies. At the national level the most visible subsidies are those for training members. In the name of the "social and economic education of workers asked to fulfill union responsibilities" and of "union study and research," the Ministry of Labor Affairs spent more than 30 million francs: 7,962,000 francs to the CFDT, CGT and FO and 3.3 million to the CFTC, CGC and FEN. The same ministry also gave the three large unions 2.8 million each and the three small ones 1.4 million as aid for economic information. It disbursed 26 million in 1985 and 28 million in 1986 to subsidize "guidance for union leaders on continuing education and employment." It also granted the six unions 22 million francs in 1985 and 23 million in 1986 for training members of the labor arbitration board.

After the big pile for education the unions can also count on less well-known forms of subsidies. The prime minister's services finance IRES (Institute for Economic and Social Research), founded during the time of Pierre Mauroy. Of the 14.4 million distributed in 1985, 4.8 was for research done by researchers at the Institute. The unions received the remaining 9.6 million: 2.1 million for the CFDT, CGT and FO and a bit more than 1 million for the CFTC, CGC and FEN. This money is also used to finance the "technical counselors," an elegant term for designating those working full-time for the unions.

A more surprising thing is that the Ministry of Agriculture also reserves some favors for the unions. Of course, the farmers' organizations themselves make out better; the FNSEA and the CNJA each received 4.5 million francs in 1986 for the "training of managers" and "advancement of the organization." But the crumbs picked up by the CFDT (1.77 million), FO (1.25 million) and the CGT (.88 million) are not insignificant.

The budget of the General Commissariat for Planning included an entry of 1 million francs to be distributed to the unions. The Ministry of Consumer Affairs subsidizes all consumer organizations, especially those directly dependent on the large unions: INDECOSA for the CGT, ASSECO for the CFDT, FO Consumers for the Workers Force and ORGECO for the CGC and the CFTC.

Something even more exotic is that the Ministry of Foreign Affairs also makes a contribution. FO received 500,000 francs in 1985 and the CGT and the CFDT received 300,000 francs each for "union education in developing countries."

The list is not finished. In 1985 the PTT budget called for almost 70 million francs of "subsidies for employee societies or associations other than the co-op organizations." A large portion of this sum certainly filled up the purse of the postal unions.

Of course, all of these subsidies (see table) are not a net profit for the unions. They do carry out training activities and their consumer associations, for example, also have their own activities. However, in many foreign countries the unions themselves finance all of the training of members without their overall effectiveness suffering.

But in France the chapter on subsidies does not stop with the state; there are also the subsidies granted by the local communities. Even if the Communist cities seem to be more generous than the others, each city is anxious to show its goodwill, perhaps to maintain a sort of workers' peace. The departmental divisions of the CGT, CFDT and FO each received 325,100 francs from the city of Paris in 1985. In Brest, an RPR city, the CGT received 130,000 francs compared to 20,000 francs for the CGC, 18,000 francs for the CFDT and 15,000 francs for the FO. Lille gave each of the three large unions 340,000 francs in 1985. Only a few rare mayors act as if only the gesture counts: in Toulouse, Dominique Baudis grants 600 francs to each organization every year.

These subsidies in hard cash count for little, however, next to the advantages in kind.

--The availability of men and resources. The law says that the government must offer the unions in the public services "detachments" of personnel to make up for the absence of elected representatives and those on the workers' council. The two ministries which pay the largest battalion of workers, National Education and the PTT, provide the bulk of the troops. For the Ministry of National Education these "releases" and "exemptions" officially count for the equivalent of 1,600 jobs. A figure which, according to the various ministry staffs which have succeeded one another on the rue de Grenelle, could be practically doubled if you consider the part-time work which sometimes turns into full-time "availability." In any case, we must add the "absences" which are "authorized" for union reasons and which are negotiated directly with the officials; this is officially estimated at 103,250 days per year. This fact is not contested by a FEN representative who is not at all bothered by it. He stated, "The former ministers keep a lot of employees that used to work for the Ministries..."

The PTT is even more generous. Theoretically the unions have the right to the equivalent of over 3,500 positions. If they use only a little less than 3,000 it is simply because they cannot find enough members to fill them!

Because of their number of employees, the large public firms also provide their share of staff for the unions in strict adherence to the Labor Code. The SNCF, for example, has almost 500 union staffers.

With these many available workers the unions are able to reduce their personnel costs. They take from this abundant preserve of members the managers and other links in the chain needed for their organization's life. This misinterpretation of the spirit of the law has for years been tacitly agreed upon by the public authorities and the management of national firms.

After the men come the material resources. According to a well established tradition, the cities and towns make facilities, such as clubhouses and

meeting rooms, available to the unions. The most cooperative city councils also add, as a bonus, free telephone lines, photocopiers and generous use of the facilities of city hall.

--Again in the name of the law and of labor regulation, the unions are sometimes turned from simple beneficiaries into managers of the public money. They are the ones, in effect, who manage the labor activities of the government and the national firms. Here again, the figures speak for themselves: 4,000 individuals made available by the PTT Ministry to manage the sports associations, the workers' mutual associations and also the cafeteria. At the Ministry of National Education the FEN had until last year 1,679 people at its disposal, a system that has today been replaced by a direct, renewable subsidy.

Although they are not directly used to fill the unions' coffers, public financing of labor activities puts the unions at the head of veritable service empires. Especially when the individual statutes of some public firms puts the employer contribution well above the legal minimum. Since 1945 the electricians have had a statute that calls for financing labor activities at a rate based on 1 percent of the turnover of EDF, rather than on the total salaries; this amounts to 1.4 billion francs. The EDF's CCAS (Central Fund for Labor Activity), managed by CGT, leads an army of over 4,000 full-time workers and 12,000 seasonal workers who staff the various vacation spots.

"The CCAS very carefully chooses the location of its vacation villages," explained an upper-level manager who has worked for the organization for a long time. "For the cities and towns where they are located this means jobs and additional local taxes. It is easy to make the step from there to giving a subsidy to the local CGT to attract favorable attention to the CCAS."

--This paradoxical flirtation between public money and the financing of union activities is found in particular in the joint management of about 30 national organizations, from UNEDIC for unemployment to AGIRC for supplemental retirement and including the National Fund for Health Insurance and ANPE. As members of the boards of directors, union representatives receive director's fees and subsidies for remunerating the "technical counselors." In their study Gerard Adam and Hubert Landier estimated that the unions receive 55 million francs per year in this fashion. The Economic and Social Council also gives director's fees to the 68 union representatives it has: a little less than 20,000 francs per person and per month; in most cases this is turned over to the unions.

--But there are also less official and less admissible payments. For example, associations subject to the law of 1901 which are created locally by the unions in order to find regional subsidies under the heading of occupational training. And then there is the temptation to misuse the government's resources. FO postal employees are periodically called to

task by the PTT Ministry because they use free franking privileges. Not at all discouraged, the cleverest hide union mail in official envelopes. Members of Parliament were quite surprised last autumn when they received union propaganda in official envelopes.

Sometimes public money even gives rise to imaginary members. A town councillor has a vivid memory of his first encounter with members of a union that was not well represented locally. Armed with tracts and petitions, they had come to claim their due: some space and a little subsidy. The money was used right away to buy membership cards in the union. With these additional "members" the delegation came back the next year to claim a larger subsidy. This is how a local phantom union is born, but it receives sizable subsidies!

How did we get into this situation? Why are French unions obliged to live off the state and to solicit the equivalent of 4 billion francs per year? The response can be found in one figure: less than 2 billion francs in annual dues. Average membership dues in France are the lowest in Europe. A German steelworker, for example, pays five times as much for his membership as his French counterpart. And as luck would have it, the number of members in France is also the lowest in Europe: between 15 and 18 percent of workers, compared to 30 percent in the Netherlands, over 35 percent in Germany, 43 percent in Italy and over 50 percent in Great Britain and Belgium. Is this a sign of de-unionization? Yes, but the number of union members in France has never surpassed 25 percent of workers.

Most workers ask why they should join the union. It must be admitted that French law does not ease the task of the unions. Why unionize when the benefits obtained by the activity of a minority automatically apply to all workers? In many countries the unions have very powerful ways of encouraging workers to join. In Belgium and the Netherlands only the unionized workers profit from the agreements negotiated between their representatives and the management of firms. In the United States and Great Britain there is the concept of closed shop in many sectors: everyone accepted for a job must automatically join the union that is "accredited" by his new firm.

France's legal particularity goes along with the tradition of its labor movement: a large number of union members are not only fighting for the interests of workers within a firm, but also for a certain view of the world. The small rate of unionization is based to a large extent on this fact; one becomes a member through conviction or because convention would have it rather than to improve one's lot. A senior government official who specializes in these issues and who wishes to remain anonymous went even further. "I do not really believe that we are experiencing de-unionization," he explained. "People say they are 'in the CGT' or 'in the CFDT' because they vote for them during the labor elections and not because they are members. This simply shows that French unions are not based on the model of large-scale membership. For them, membership is not necessary."

Another notable difference with other countries is the number of unions. Since unity among them is apparently not for tomorrow, the organizations will have to continue to divide the meager membership pie. What is worse is that for nearly 20 years they have given into sterile and fratricidal competition. "From the beginning of the sixties until 1981 each organization wanted to expand at the expense of the others by lowering membership fees," a CFDT leader said. "In union divisions within firms this price war was very rough and had no result. All the organizations, regardless of their dues, had membership problems."

Faced with this fact, how can we break the vicious circle of assistance and financial dependence of French unions? The simplest response arithmetically would be to increase the number of memberships. But how can workers be encouraged to pay for unions? A while back the CFDT had thought about creating a "union check," modeled on the restaurant coupons, which each worker would give to the union of his choice or to another organization. But the dilemma is the same: who would pay this check--the workers or the employers?

By looking abroad other possible solutions appear. To attract members unions must offer new services. In Belgium the unions manage the unemployment funds. A member's case would be handled by his organization whereas a non-member must stand in line at headquarters in Brussels. In France the FEN has this type of statutory advantage. Its representatives, as members of joint committees, know right away when teachers are going to be transferred and tells them so well before the government. "We can take this idea further," explained a union member. "We can make membership more useful for the worker without going so far as to create banks or gigantic insurance companies. But how do we finance these new activities initially?"

In order to combat adversity some organizations are trying to find some original solutions. Last October the CFDT organized a "Workers' Committee Forum" in which companies could rent a stand. This is an original idea which a leader of the confederation defended in this way: "Why not accept a sponsor for certain one-time activities, since it is perfectly well accepted in the field of sports, for example?" This is true, but these are resources which, unless they wind up in somewhat suspect relations of dependence, would in any case be marginal.

Even if we suppose that satisfactory solutions can be found for financing the unions, would the various forces on the scene favor this? In other words, will the unions as donors really want to be more open about their finances? It is doubtful.

The unions, regardless of political persuasion, are defending a principle. Subsidies and workers paid by others, they say, are not at all a privilege. They should be considered normal from the moment the unions are useful for the firm, the individual and society. Although they are prudently

keeping silent on this thorny question, the public authorities do not hesitate to pay heavily for relative peace in the labor world. Wasn't it in 1968 during the "parallel discussions" of the Grenelle agreements that the CGT obtained the reestablishment of public subsidies, of which it had been deprived since 1949? And wasn't it to develop their nuclear program in peace that the engineers who headed EDF for 40 years granted a lot of power to the unions?

At the PTT Ministry the managing directors of Telecommunications and of the Postal Services each have three union representatives under their direct orders: one from the FO, the CFDT and the CGT. In the same vein, some nationalized firms do not hesitate to buy pages of advertising in union papers. The readers of LA VIE OUVRIERE, the CGT weekly, must be a preferred target for the chemical firm Rhone-Poulenc, which placed 12 pages of advertising in 1985. These same readers must be incorrigible smokers; SEITA bought 9 pages from this weekly during the same year.

Does this belabored complicity at least have positive results? "Do you know why the CGT always ends up signing the UNEDIC conventions which handle unemployment insurance?" asked a former leader of the CNPF. "Because if it doesn't sign it would lose directors because the convention also has to do with the structure of the system."

Complex, interrelated interests that are often immoral. The unions maintain murky relations with the government. But who really wins? The state has no margin for maneuver in this game. All the administrations which have been in power one after the other halfway admit that it would be bold, if not impossible, to touch the various forms of subsidies given to the large unions. And the most candid of the union leaders looking for reform admit, "The more we receive from the state the more we will be under scrutiny; the less we spend of public money the less our credit among workers will be harmed."

	Subsidies from the Ministries (in millions of francs)					
	<u>CGT</u>	<u>CFDT</u>	<u>FO</u>	<u>CFC</u>	<u>CFTC</u>	<u>FEN</u>
Labor Affairs	23.833	20.842	19.864	8.926	7.565	7.137
Prime Minister	2.136	2.136	2.136	1.068	1.068	1.068
Agriculture	.877	1.775	1.253	.532	.199	--
Foreign Affairs	.300	.300	.500	--	--	--
Consumer Affairs	.877	.822	1.031	.588		
General Commissariat for Planning	1.000					

[Boxed Material]

Income: A Double Disguise

Do membership dues make up 70 percent or only 10 percent of overall income of the unions? By saying in their annual financial statements that membership dues finance up to 70 percent of their operations, the large unions are doubly disguising reality.

--First of all, they do not count all the subsidies they receive. The proof: the CGC, which does make an accounting, shows financial documents where dues account for half of its budget. However, even the CGC surely does not take into account the "advantages in kind" from which it benefits: the permanent representatives who are paid by their employers.

--Secondly, these accounts are the budgets of the central organizations. They do not include the financial situation of the individual federations and unions which make up the driving force of the large organizations. What would we think of a large business if each year it published the financial statement of only its headquarters? This is, however, what the CFDT, the CGT and the CGC do. They therefore forget to include the subsidies received by the federations and the trade unions as well as the paid workers they receive from the private sector and the paid leave authorized in the public sector.

In their study Gerard Adam and Hubert Landier estimated the portion of membership dues in the income of organizations representing workers. In the private sector paid work release costs businesses between 9.5 and 11.5 billion francs. The state pays out 350 million francs in subsidies and grants the equivalent of 3.4 billion francs in authorized leave. At the same time, membership dues amount to 1.9 million francs per year in the best of cases. If you consider not just the major organizations, but all the groups falling under them, it appears that the unions get only 10 to 12 percent of their income from dues.

The Official Budget

CGT, Henry Krasucki

Dues: 66%

Other: 34%

CFDT, Edmond Maire

Dues: 79%

Other: 21%

CGC, Paul Marchelli

Dues: 51%

Other: 48%

The Real Budget

Dues: 12%

Other: 88%

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MORIN NAMED NEW POLICE CHIEF FOR CORSICA

Paris LE FIGARO in French 29 Jan 87 p 11

[Article by I. de Ch.: "A Super Policeman For Corsica: Inspector General Marcel Morin, Who Helped Break Up the 'French Connection,' To Replace Francois Leblond As Police Chief of Corsica"]

[Text] The second phase of the operation, putting Corsican affairs back into shape, occurred yesterday at a cabinet meeting (see page 4). A new police chief for the island was indeed named, Inspector General Marcel Morin will replace Francois Leblond, who has been assigned to the Lot prefecture. This change had been expected (see our 22 and 26 January editions) and completes the moves of prefects which had been decided upon at a 21 January Cabinet meeting.

Acting on a motion by Charles Pasqua, the government announced the appointment of two new prefects for Corsica: replacing Francois Garsi is Joel Thoraval, who becomes regional prefect and prefect of Southern Corsica, and replacing Henri Hugues as prefect of Upper Corsica will be Michel Besse. With these changes, the Interior Minister, in the course of one week, has completely altered the look of the island's prefects. It is thought that in the days or rather the weeks to come, these moves will be followed by other transfers of the island's administrative as well as police staffs.

During the first phase of the operation, the cabinet also decided to dissolve the Movement for Corsican Self-Determination (MCA). This action followed the arrest of Alain Orsoni, an MCA regional adviser to the Corsican assembly, at whose house police had found Corsican National Liberation Front documents. Transferred to Paris, Alain Orsoni would be charged with "reestablishing a banned organization and associating with criminals." Since then he has been sent to the Sante prison.

On Corsica, more than the selection of new prefects, the dissolution of the MCA stirred up feelings in circles favoring independence, which extensively mobilized. Moreover, a demonstration is planned next Saturday in Bastia, while the former leaders of the MCA try to establish a new association or join in with a party which already exists so they will be able to take part in regional elections in Upper Corsica (the 16 March 1986 elections were recently invalidated).

A "Big Cop"

The island's new prefects will find a region which is constantly unsettled, surface torpor notwithstanding. Thus for Marcel Morin there will be a harsh encounter with a disastrous situation. The year 1986 was marked by 544 murders, 186 holdups and 36 violent crimes.

Known as one of the architects of the breakup of the "French connection" in Marseille in the 70's, Inspector General Marcel Morin, 56, has spent most of his career with the Paris police prefecture. In 1971 he was assigned to the regional service of the judiciary police in Marseille as head of the drug division. There he was successful in uncovering several illegal heroin-processing laboratories, thus sounding the death knell of the "French connection."

In 1982, when he was assigned to the first Paris territorial division, Marcel Morin took charge of the drug and vice division and then, in March 1984, of the criminal division. In June 1985 he was promoted to the rank of inspector general of national police and named assistant director of general services and departments, supervising the Paris police force's judiciary police.

As his adversaries, the man generally called a "big cop" will not only have Corsican terrorism, he will have lawlessness as well, which started on the island in 1980. Just as his predecessors did, he will face every discouragement which has piled up over time and which hangs over the island like a pall.

There has been the flight by "continentals" who have been the object of threats, shakedowns, and murders. There have been successive campaigns aimed at teachers, "off-island" executives, former French residents of Algeria, and, more recently, policemen. Between 14 January and last Tuesday, there have been seven murders and two attempted murders at the homes of police force employees, at a police station, at an insurance company, and at a police car repair garage.

Today, for many on Corsica, this terrorism and lawlessness are two sides of the same coin either because they overlap or because they are linked. Their combined effect is leading the whole island into a dead end and an endless cycle of violence.

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AP'S PERSONALITIES, INFLUENCE GROUPS LISTED

Madrid EL PAIS in Spanish 9 Feb 87 p 13

[Text] Madrid--The new leadership group of Popular Alliance (AP) presents a compact and homogeneous profile dominated by "Andalusian power" and by the state lawyers' corps attracted to the AP by Hernandez Mancha: both the president of the party and the new secretary general, Arturo Garcia Tizon, are comrades in opposition to that corps--Hernandez Mancha, with number three; Garcia Tizon, with number seven. Both, as well as Alberto Ruiz-Gallardon, now vice-president of AP, belonged to Group Zero, formed 10 years ago, at the beginning of Fraga's party.

This group was comprised basically of young people who rejected their inclusion in the area of influence of any of the "Magnificent Seven" Laureano Lopez Rodo, Licinio de la Fuente, Cruz Martinez Esteruelas, Gonzalo Fernandez de la Mora, Federico Silva, Enrique Thomas de Carranza, and Fraga himself--who made up the central group of the AP. The Hernandez Mancha-Garcia Tizon-Ruiz Gallardon group is reinforced, moreover, by the presence of Abel Matutes in another of the vice-presidencies, together with the Fraguista, Jose Manuel Romay Beccaria, and the president of the Galician Junta, Gerardo Fernandez Albor.

The "Andalusian power" is made manifest by the presence in the party's permanent committee (government team) of Jose Ramon del Rio, Miguel Arias, and Manuel Renedo, all of them state lawyers like Hernandez Mancha, to which should be added the names of Isabel Ugalde and Gabino Puche, the latter vice-president of the Andalusian Parliament.

Mariano Rajoy, vice-president of the junta, reinforces the connection with Galicia, just as the president of AP-Madrid, Luis Eduardo Cortes, together with Luis Guillermo Perinat, and the president of Barcelona, Jorge Fernandez Diaz, guarantee loyalty to Hernandez Mancha in these two important communities. Angel Sanchis, with links to Matutes, represents the Valencian community, and Gonzalo Robles is president of New Generations.

Ramallo, Only Opposition

Furthermore, Hernandez Mancha has sought to distribute his territorial allies among the list of 30 names, elected in open list, that will make up the rest of the executive committee: Prominent among them are the president of AP-Valencia, Ignacio Gil Lazaro, and the Extremaduran Adolfo Diaz Ambrona--who is linked to him by bonds of family friendship--in addition to the Balearican Jose Canellas, and the Asturian Francisco Alvarez-Cascos--the biggest vote-getter in the open list along with Felix Pastor, and who until a few days ago was among Herrero's supporters. Only one follower of the defeated candidacy, Pacense Deputy Luis Ramallo, is among "the thirty" elected.

Garcia Tizon, until now candidate for the presidency of the Castellano-Manchega Junta, now assumes a special role, by being a prominent member of parliament, in addition to being secretary general.

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CSO: 3548/47

INONU, ECEVIT AIR DIFFERENCES IN PRESS

Ecevit Issues Written Statement

Istanbul MILLIYET in Turkish 22 Dec 86 p 8

[Text] Ankara--Bulent Ecevit, a former prime minister and the last leader of the abolished Republican People's Party [RPP], responded to Social Democratic Populist Party [SDPP] leader Erdal Inonu's charges with regard to the assembly deputies who resigned from his party. Ecevit said: "The SDPP is collapsing."

In a written statement, Ecevit stated that no bargaining was involved in his meetings with the deputies who resigned from the SDPP. Ecevit disclosed that in his talks with [former Populist Party leader] Aydin Guven Gurkan about a possible merger between the Democratic Left Party [DLP] and the Populist Party [PP], he proposed that Gurkan wait and that, "however, Mr Gurkan did not find it appropriate to wait."

Ecevit insisted at the beginning of his statement that both he and his wife, Rahsan Ecevit who is the leader of the DLP, avoided engaging in any arguments with the SDPP after the by-elections. Ecevit said in his statement: "I did not respond to even criticisms and allegations occasionally bordering on insults against me by some SDPP members in the last 3 months."

Ecevit continued:

'More Benign'

"What I and the DLP have said about the SDPP during the election campaign are more benign than what many members and even some prominent leaders of the SDPP have said about their own party since the by-elections.

"These facts should prove the unfairness of holding me and the DLP responsible for the accelerating disintegration of the SDPP in the last 3 months and the disillusionment of SDPP members with their party.

"The SDPP is disintegrating and collapsing because of its inconsistency, its lack of policies, its ineffectiveness and its deficiencies stemming from its birth or past. Left with no other recourse, some SDPP members and their party leader want to blame this situation on me and the DLP.

'I Did Not Bargain'

"I met with certain SDPP deputies in my house only in recent weeks and only after they had openly stated their decision to resign from the SDPP and to join the DLP.

"These facts should be sufficient to prove the baselessness of allegations that we are sabotaging the SDPP's assembly group.

"During my meetings in recent days, I did not make any promises or concessions to any deputy either in my behalf or in my wife's behalf. None of the deputies who visited me requested or implied such concessions or bargaining.

"Articles have appeared trying to find contradictions between my consent for the defection of some deputies from the SDPP to the DLP and my former stance. Such a contradiction does not exist. As I have stated several times, in previous meetings with Mr Aydin Guven Gurkan I said that I wanted the social democrats to unite within a very sound organization. However, I added that it would be necessary to wait for the final determination of the structure of the DLP and the public clarification of the status and inclinations of the deputies in the PP group. However, Mr Gurkan did not find it appropriate to wait. This process which I proposed before the PP was effectively disbanded has now come alive spontaneously."

Inonu Responds to Charges

Istanbul MILLIYET in Turkish 22 Dec 86 p 8

[Text] The duel of words between SDPP leader Erdal Inonu and Bulent Ecevit continued yesterday. Inonu responded to Ecevit's charge that he is a "slanderer" and said that "motel-room bargaining sessions have not been forgotten."

In a statement yesterday, Inonu said that Ecevit's remarks confirm his disclosures and added:

"Mr Ecevit's statement proves that the incidents I disclosed to the SDPP assembly group and the comments I made are not slanderous and reflect nothing but the truth.

"I stated before that while the DLP was trying to form its own assembly group it was waiting for the Motherland Party to endorse the revision of Treasury aid in accordance with the number of deputies. I noted that the DLP supports the proposal which effectively leaves the issue of constitutional amendment to the discretion of the government party.

"Mr Ecevit has acknowledged that both these disclosures were correct. But he interprets the events in his own way. That is his own business. However, I feel bound to state my views in response to his remarks on an incident in the near past made with the intention of making me appear as a slanderer. In the face of the DLP's current attempts to induce SDPP deputies to join it with

certain promises, the first thing everyone remembers in the near past is the incident known as the 'motel-room bargaining session.'

"That bargaining session and the unprincipled defections that occurred on the basis of promises made at the time deeply hurt both democracy and the social democratic cause. Those who defected to other parties encountered unending problems. Those who wish to interpret today's events correctly must remember these incidents."

Gurman's Criticism

Speaking at the SDPP's Bornova district convention, Nail Gurman, a member of SDPP's central decision and administrative council, described Bulent Ecevit as the "high priest of the left" and said: "There are new high priests who are signing imperial edicts for the social democrats. We have seen too many of these leftist high priests." Gurman added: "Ozal and the high priests of the left have declared a common battle against the SDPP. But we will not retreat from our cause even if we are left with only Inonu."

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ECEVIT VIEWS ON DECA, RELATIONS WITH EUROPE, EEC

Istanbul CUMHURİYET in Turkish 22 Nov 86 p 6

[Interview with former Prime Minister Bulent Ecevit by correspondent Sedat Ergin; date not given]

[Text] Ankara--Former Prime Minister and Republican People's Party [RPP] leader Bulent Ecevit criticized the compromise reached between the Ozal government and the Reagan administration to renew the Defense and Economic Cooperation Agreement [DECA] and said: "This is a compromise which will increase instability, insecurity and Turkey's dependence on the United States."

Pointing out that the compromise did not produce the expected increase in economic aid and that the easements Turkey had asked for with regard to trade and the national defense industry were denied, Ecevit said: "In contrast, the United States has effectively and substantially increased its means to use Turkey as an operations base in our region. I am concerned that this de facto situation will be fully consolidated with the agreement to be signed." Ecevit added that the easements the compromise gained for Turkey are of the type to "save the day and appearances."

Stating that in order to put the DECA on sound foundations the issue must be examined within the framework of international relations rather than bilateral ties, Ecevit said that Turkey must restore the multipolar balance to its foreign policy and that it must approach the issue of relations with the United States with the strength it derives from such a balance. Ecevit added that one of the principal prerequisites for that is "to make democracy operational in Turkey."

Our questions to Bulent Ecevit and his answers were as follows:

[Question:] It appears that a compromise point has been reached for the DECA with the United States. How do you view this compromise?

Ecevit: This compromise is designed to save the day and appearances for Turkey.

The increase expected in economic aid has not been secured. Moreover, the easements and cooperation Turkey had asked for with regard to trade and the

national defense industry have been denied. In contrast, the United States has effectively and substantially increased its means to use Turkey as an operations base in our region. I am concerned that this de facto situation will be fully consolidated with the agreement to be signed. The government is reluctant to inform the Turkish public on this issue adequately.

In return for these concessions, certain improvements have been secured in the terms of aid in order to save the day and appearances for Turkey.

For example, the amount of aid-in-grant has been increased. Certain minor improvements have been introduced with regard to debt payments. Some of the military gear to be given or sold to Turkey have been discounted in price, and it has been agreed to give to Turkey some American surplus military equipment.

The U.S. administration's efforts to somewhat offset the congressional cuts on foreign aid through such arrangements is in fact a traditional American practice.

This can be described as a charade. In this game, the U.S. administration tries to appear to be doing all it can to overcome Congress' negative attitude. But such easements offered in order to save appearances have not guarantees. While Turkey commits itself to obligations it will abide by during the term of the agreement, the United States guarantees its obligations with fragile strands and reserves the means to change its stance every year. It can restrict or withhold these easements sometimes by hiding behind the mood of Congress which can change from year to year and sometimes directly through executive branch decisions. This way, it can keep Turkey under continuous pressure, and it can ask for new conditions and concessions every year in order to continue the aid and easements it had promised. For example, it can ask Turkey to take certain risky steps in its region or it can demand concessions on the issue of Cyprus or relations with Greece.

Now, Turkey appears to have accepted a long-term accord which is wide open to such American ploys for the sake of very near-term motives.

Consequently, with this agreement we will enter a new period of instability in our own situation as well as in our relations with the United States. Moreover, Turkey will not be able to implement its program to modernize its armed forces in a healthy and organized manner.

In sum, the compromise that has apparently been reached is an accord which increases instability, insecurity and Turkey's dependence on the United States.

[Question:] Why do you think such a stage has been reached?

Balance Was Upset After 12 September

Ecevit: Turkey is obligated to pursue a multipolar balance in its international relations. This is mandated by Turkey's geographical location. However, this balance has been upset since 12 September 1980. Because of excessively close affiliation with the United States and American policy,

Turkey has come under the influence of certain Middle Eastern countries and has become unable to adequately balance this influence with relations with West and East European countries.

Taking advantage of the collapse of the multipolar balance in our international relations, the United States is able to win most of the concessions it expects from Turkey.

[Question:] How can such a multipolar balance be restored?

Ecevit: The principal prerequisite for restoring relations between Turkey and West European countries to a healthy state, is to activate in Turkey a democratic system which conforms with Western standards. However, one cannot expect this condition to be satisfied with the current Constitution, the legal framework of the current system and, in particular, the stance of the Motherland Party government with regard to the system.

West European View

It is true that our relations with Western Europe have begun to recover. However, these relations are being revitalized in a largely altered status. West European countries no longer see Turkey as an equal country which shares the same democratic ideals and values. Instead, they see Turkey as a necessary ally for security reasons; they see Turkey not as a Western country but as a pro-Western Middle Eastern country.

The installation and consolidation of a democracy which conforms with Western standards is imperative for healthy relations not only with Western Europe but also with the United States. Because part of the U.S. Congress and some American organizations and groups which can influence the press and public opinion in the United States are generally very sensitive about democracy and human rights. Although the U.S. administration is not as sensitive about democracy it is obligated to reckon with the sensitivity of the elements I mentioned. The U.S. administration feels this need more strongly at times--such as now--when Congress is dominated by the Democrats. At the minimum, it can use the sensitivity of these segments as a trump card in bargaining with Turkey or while withholding certain easements from Turkey.

In its relations with Eastern European countries, Turkey must be able to act independently within bounds which conform with its membership in NATO. However, in the last 6 years Turkey has largely lost its freedom of action on this issue.

Meanwhile, the more Turkey gets immersed in the U.S. sphere of influence, the more it will be unable to preserve its identity as a regional country and the more it will look like the representative of American policies and interests in its region.

Rather than being able to use its relations with West and East European as well as Middle Eastern countries as a counterbalance against American influence, today Turkey has come to a position where it has to seek American

support for improving or developing its relations with those countries. As a result, Turkey's dependence on the United States is even more increased and the United States exploits this situation to Turkey's disadvantage.

Turkey's expectation of support from the United States, which is not a member of the EEC, even in its relations with the EEC is an ironic indication of this unfavorable development.

[Question:] What effect can U.S. support have in relations with the EEC and on the issue of full membership in the Community?

Ecevit: It is obvious that the United States has a certain influence over Western Europe. However, one purpose of the EEC is to enhance Western Europe's identity and effectiveness against the United States. Consequently, Turkey's attempt to force itself into the Community using U.S. influence may create resentment in Western Europe.

Western Europe may particularly resent the fact that Turkey has made its membership in the EEC--which has no military functions--an issue in its military cooperation negotiations with the United States.

Two Basic Conditions

Our membership in the EEC depends on two basic conditions: First, a democracy which conforms with Western standards and, second, an adequately strong economy. As long as Turkey cannot meet these two conditions, U.S. support cannot serve any purpose. Moreover, the current trend in Turkey away from secularism constitutes a new obstacle for our integration with Western Europe.

Turkey would be deceiving itself if it tries to conceal and to offset the unfavorable elements of DECA with claims that the United States has pledged support on the issue of full membership in the EEC.

The only effective support the United States can offer Turkey on this issue is to provide the necessary contribution for the development of Turkey's economy. But the United States has persistently avoided making such a contribution. It has neither provided the economic and financial aid Turkey needs nor has it been agreeable to Mr Ozal's formula of "trade instead of aid."

[Question:] What can Turkey do to set its relations with the United States as well as DECA on sound foundations?

Ecevit: Turkish-American relations cannot be set on strong foundations solely within the framework of bilateral relations. Unfortunately, today both the government and the opposition parties in the Assembly view the issue of defense and economic cooperation with the United States within the narrow framework of bilateral relations.

In my opinion, that is not a proper course. Turkey must examine its international relations as a whole, restore the multipolar balance in those relations and must approach its relations with the United States with strength it gains from such a balance.

We saw in the 1970's that when such a balance exists Turkey can regulate its relations with the United States without having to make objectionable concessions. In those years, Turkey was able to take the necessary steps in Cyprus, the opium issue, in the NATO and the Aegean. In addition, Turkey was able to reactivate American aid--which had been interrupted and reduced despite all the concessions Turkey made in the aftermath of the 12 March 1971 military intervention--and to force the lifting of the U.S. arms embargo without making any concessions on any issue.

However, after the 12 September 1980 military intervention Turkey was immersed in a new period of unilateral concessions in its relations with the United States. Not only has Turkey expressed readiness to overlook its national interests in the Aegean, but has been tricked by NATO-related American intrigues in the Aegean.

Once the process of making concessions begins, it is hard to stop and satisfy the United States. The United States will put every concession in its pocket and ask for more.

Now I am afraid that the United States will renege on its obligations and pledges for each annual slice of DECA and will try to win new concessions from Turkey in the coming years and perhaps to drag Turkey into some dangerous ventures in the Middle East.

The only way we can extricate ourselves from this predicament is to set our international relations on a healthy, multipolar balance. One of the principal prerequisites for that is to make democracy operational in Turkey.

Beyond a certain point, Turkey cannot separate its domestic policy from its foreign policy.

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NEW RIGHT-WING ISLAMIC NEWSPAPER ESTABLISHED

Ankara YANKI in Turkish 13-19 Oct 86 p 33

[Interview with Fehmi Koru]

[Text] The ZAMAN newspaper, owned by Allaaddin Kaya with publishing headquarters in Ankara, is preparing to enter the world of the press in the days ahead using an entirely new format.

Fehmi Koru, director general of publications for ZAMAN, which is expected to express the views of the Islamic right wing and to begin publishing in Ankara at the beginning of November, answered YANKI's questions.

[Question] Would you talk a little about yourself for the readers who do not know you? For which newspapers have you worked previously? What positions have you held?

[Answer] I graduated from the Izmir Higher Islamic Institute. Later, I received a master's degree in international relations, majoring in Middle East politics, from Howard University in the United States. I next studied journalism at City University in London. I am currently working on a doctorate at the Faculty of Political Sciences. I have been writing for a long time. I have written for various journals and have worked as a free-lance writer. I was a specialist in America for a while, and, in November 1984, I became director general of publications for the MILLI newspaper. I went to MILLI with a group of friends and remained on the managerial staff for 3 1/2 months. Then I left and went to work for the State Planning Organization Islamic Nations Economic Cooperation Directorate. I worked for the state for approximately a year and a half. I left to take the post of director general of publications in the new endeavor that will be the ZAMAN newspaper.

We have a nucleus of five of us friends who had worked together at MILLI, including Enis Sarman, Adnan Toksen, Ozkul Eren, and Fikret Ertan.

[Question] Since Turkey already has newspapers, TERCUMAN and MILLI, that are right of center, why do you feel there is a need to publish ZAMAN?

[Answer] As a journalist, I am in a position to speak about MILLI. What we

will attempt to do with ZAMAN we could not accomplish at MILLI in our 3 1/2 month trial period. We foresee an entirely different newspaper. It will be both different in format--I mean it will have an appearance different from the newspapers you mentioned--and in content. We will cover nearly every topic of interest to Turks and, in particular, world affairs that we believe are very closely related to the Turkish public, and we will also work to report on topics that, for some reason or other, are not found in our press.

[Question] It will undoubtedly be a newspaper with a strong emphasis on religion, will it not?

[Answer] I do not think so. Although it is supposed, at first glance, that the paper will emphasize religion and Islam, in particular, because of our backgrounds and beliefs, our goal is to publish a paper that everyone will want to read without being provoked. An Islamic atmosphere cannot be expected in every column of the paper. Our first consideration is to put out a newspaper. There will be articles that can probably be read as giving our view of the world. Because we do not plan to stress the world views of a small group of people, ours will be a paper that will comfortably be able to publish the work of progressives, which may surprise, at first, a number of readers.

[Question] Will you give an example?

[Answer] We are in contact with many intellectuals and thinkers in Turkey. In our discussions, no one has given us a negative response. Our publishing policy will be to select new outlooks, new approaches, differing viewpoints. We propose a newspaper that will provide reportage that is a mixture of MILLIYET, CUMHURİYET, and HURRIYET.

[Question] There are approximately 3 million readers of newspapers in Turkey. A portion of these read rightist papers. What is your predicted circulation for ZAMAN? Will you be able to attract readers from this group?

[Answer] Changing readership patterns among the 2.5 million to 3 million readers of the Turkish press is, of course, a topic of concern and worry for economic and other reasons. For us, I do not believe there is a problem of a place of a rightist segment or of ZAMAN's sharing that place with other papers, because we are not concerned with addressing the rightist reader in the traditional sense. In other words, we have no preconceived idea that our readers will have specific beliefs. We seek to address everyone in Turkey who is thoughtful, who accepts Turkey's problems as his problems, who wishes to develop a new outlook of the world. We believe that some of these will be rightist readers in the traditional sense, Muslims, as well as persons who can be called leftists. We predict that everyone with common sense who is able to view world events without the prejudgment of the group to which he belongs will read ZAMAN with pleasure. From this standpoint, ZAMAN will both develop its own group of readers and gain approval from the groups that are dissatisfied with the papers they now read.

Therefore, ZAMAN has the potential for a large readership. I believe that the number of readers will grow steadily until its potential is reached. And what

is that? Considering conditions in Turkey and our current capabilities, it is between 30,000 and 50,000.

[Question] When will you begin to publish?

[Answer] We believe it will be the end of October, but we cannot give a specific date. I believe our newspaper will come out before November.

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CAGLAYANGIL ON PROBLEMS OF TURKS IN BULGARIA

Ankara YANKI in Turkish 10-16 Nov 86 p 20

["A View" column article by former Foreign Minister Ihsan Sabri Caglayangil: "The Turkish Presence in Bulgaria"]

[Text] The Political and Social Research Foundation, which is headed by Professor Memduh Yasa, sponsored a seminar entitled "The Demographic and Cultural Turkish Heritage in Bulgaria" in Istanbul on 6 and 7 November.

The speakers at the seminar discussed the principal problems related to the Turkish presence in Bulgaria. The scholarly presentations covered topics such as the origins of the Bulgarians, Turks before the Ottomans, population movements and Turkish works of art in the region. A panel discussion at the end of the seminar featured enlightening debates.

Meanwhile, the foreign ministers of Turkey and Bulgaria met at the European Security and Cooperation Followup Conference in Vienna last week for the first time since the beginning of the tensions caused by the decision to force our kinsmen to change their religion and nationality.

One of the leading problems of Turkish foreign policy today is undoubtedly the oppression of our kinsmen in Bulgaria. The problem is not new. Turkish Religious Foundation schools and their property were nationalized by a law enacted in 1946. Later, Turkish was made an elective language in schools. The Turkish schools were eventually closed in 1974.

The Bulgarian government interfered with the Muslims' freedom of religion, mode of dress and customs. Resentment was expressed at their customs of worship. Some of the 7,000 mosques left over from Ottoman times were closed, some were condemned for various reasons and others were left to decay. Women were barred from wearing head covers. Circumcision ceremonies were banned. The Turks were forced to migrate.

Initially, these pressures were generalized as much as possible and were made to look like part of the modus operandi of the regime. The real motive was kept concealed. Later on, this stance changed. In 1984, repression turned into tyranny. Turkish and Muslim names were changed into Bulgarian names. Government authorities took an open stance on this issue and decided to

resolve it once a for all. They changed the Turks' identity cards, marriage certificates, health cards, driver licences, title deed documents and birth registration records. They even painted over Turkish names in cemeteries. The speaking of Turkish was banned.

Turkey tried to block these moves. The status of the Turks in Bulgaria is governed by treaty. Article 54 of the Nevelly pact of 1919 and the minority clauses of the Lausanne Treaty of 1923 imposed mutual obligations on the two countries. The Turkish-Bulgarian Friendship Agreement of 1925 specified the fundamental guidelines on the status of Turks in Bulgaria. According to these agreements, the two sides recognize the human rights of the minorities on their territories and guarantee that they will not block voluntary migrations.

In addition, the Bulgarians signed the final Helsinki document in 1975.

The Bulgarian constitution guarantees the equality of all Bulgarian citizens and states that no one will be punished on account of his racial, religious or national affiliation. Consequently, the best way to resolve the dispute between the two countries was through bilateral talks.

But the Bulgarians changed not only their attitude, but also their language. According to Bulgarian official statements, "The Bulgarian People's Republic is a state composed of a single nation, does not incorporate citizens of different nationalities and these people [Bulgarian Turks] were forced to change their religion and nationality under Ottoman rule." This allegation is preposterous and erroneous to say the least. It contradicts Bulgarian statements in the past. It is not supported by any evidence.

During my tenure as foreign minister, I paid my first foreign visit to the Balkans. Developing relations with the countries of the region and surrounding ourselves with a belt of peace were part of the foreign policy goals of the government I was serving with.

The Bulgarians greeted me with smiles. They declared that they sincerely wanted to strengthen good neighborly relations that were neglected until then.

They said: "The realization of this goal depends on how you treat your kinsmen who are Bulgarian citizens. All these people have aspirations to emigrate to Turkey. An official statement by you to the effect that Turkey will not accept the emigration of even one person will resolve all difficulties. If one person emigrates everyone will try to follow. Either all of them must be taken in, or none of them must be accepted."

I said:

"Today, there are 1 million Turks in Bulgaria. Admitting all of them to Turkey would create severe economic problems. It would create a huge army of unemployed people. On the other hand, the loss of such a diligent and important community would create a big vacuum in Bulgaria's agricultural sector. You would not be able to fill that vacuum. I invite you to be realistic. Our kinsmen were forced to migrate several times in the past. But

families were separated. Uniting these families is a human imperative. Let us come to an agreement. Let us bring some order to migrations. There is no other alternative."

They did not object. We formulated guidelines on the reunification of separated families. We lived in peace and harmony for many years.

In this agreement which we signed in 1968, the term "Bulgarian nationals of Turkish origin" was used. The agreement signed by the pertinent authorities of Turkey and Bulgaria was also registered with the United Nations.

The Bulgarian government which officially recognized the presence of people of Turkish origin on its soil then is now insisting that "there is not a single Turk in our country."

The truth of the matter is that the Bulgarian government is unsettled by the rapidly growing Turkish population which currently numbers 1.5 million. However, it continues to be reluctant to expel all of them. It thus has sought to resolve the problem by assimilating the Turkish presence and by Bulgarizing the Turks. This is a dream impossible to realize. Bulgaria cannot accomplish this goal as long as our kinsmen carrying the blood of their ancestors in their veins maintain their resolute stance and as long as the Turkish Republic, which will never let down its kinsmen in any part of world, endures.

This problem cannot be resolved with allegations such as: "There are no Turks in Bulgaria. They as well as their names are Bulgarian."

Nor is there any need to make any recourse to historical and scientific evidence that the Bulgarians are derived from the ten Oguz tribes. It is completely unnecessary to expect to increase our population to 75 million in order to resolve this dispute.

No dispute can last forever. This problem, too, will be resolved in time. But not the way the Bulgarians have chosen to take. It will be resolved by talking, agreeing and using rational arguments.

What happened to our good neighborly relations? Let us come to our senses. Let us seek areas where the interests of the two sides overlap. Let us approach the issue in the light of history and realities. There is no point in helping the interests of enemies.

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OZAL SAID SENDING CONFLICTING SIGNALS TO BULGARIA

Istanbul CUMHURIYET in Turkish 14 Nov 86 p 3

[Article by Ali Sirmen]

[Text] My, how politicians complain about the lack of high standards in the press. Distortion of events by newspapers that pursue sensationalism discomforts politicians, because they suffer for it. Meanwhile, publications whose standards are not low, which do not place much of a premium on sensationalism are also criticized or are looked upon as enemies.

It is worrisome when publications succumb to the sensational or, from time to time, lower their standards, but it must not be forgotten that those that do this do so because of their readers. In other words, this is, in the end, a problem of simply supply and demand. Politicians who criticize the situation must put on their thinking caps and ponder long and hard, for they, too, have a relationship with supply and demand under different circumstances and find themselves in their current positions because they were able to use that relationship to serve their ends. In other words, politicians must ask themselves the question, "If the press should be independent of the relationship between supply and demand in order to raise its standards, shouldn't the same rule be valid for politicians as well?" In short, if this were put into practice, how many politicians would remain in the positions they hold today?

In his speech the day before yesterday to the ANAP [Motherland Party] assembly group, did the prime minister wish to emphasize this point when he asked his colleagues to be careful on the subject of the press? Look at what Ozal said:

"It has become customary for some to report news in a manner that creates sensation in order to attract an audience. One must not take offense at this. However, when you see something wrong and if you have information to correct it, it is necessary to make a statement promptly. If an insult has been made, there are legal paths to pursue. But be careful of this as well so that you attempt something for which you will truly produce a result. I am not of the opinion that it is very useful to attack the press for no reason. Our policy toward the press is one of neutrality."

It is true that we wished to congratulate the prime minister on his tempered

and intelligent approach to the problem in an environment in which his difficulties are increasing following an election period that was not very sparkling for him. We wished to say that this and similar actions are positive steps toward the attainment of democracy, which does not exist fully today.

Thinking about this while continuing to read news reports, we found Ozal's words suddenly creating surprise and pessimism once again.

The prime minister made such a strange statement in response to letters sent to him by the United States' Congress about the Peace Union and DISK [Confederation of Revolutionary Worker Unions] cases that we were left speechless. Before going into the content of the statement, we wish to make one point clear. We want the courts in Turkey to be free from every type of governmental pressure. How strongly the makers of the 1982 Constitution wanted this is a separate question. When, as the tourist season opens, persons come before the highest officials of the state quoting articles from the constitution and stating their views about a case we are trying, the degree to which those on trial conformed with the constitution and the laws is also a separate issue. Furthermore, how our desire for judicial autonomy and for its detachment from political influence is being achieved is, too, another question.

However, because we, as individuals and intellects, speak of the courts as being independent of every form of pressure and, at least, of their becoming more independent than they are today, we do not believe at all in the efficacy of these types of letters. Meanwhile, we cannot, because of legal strictures, reply to those who oppose our view, asking, "Of which independent court are these cases the product?"

After making this point, however, we wish to state that we find the statements made by the prime minister very odd. In response to the letters, he said, "Hundreds of letters are being sent to me. Most are from the notorious amnesty organization and its members. We answer some, not others. This is not important, because we, too, place similar demands on others."

The prime minister's logic in these words--more correctly, his lack of logic--are not consonant with the maturity of his statement regarding the press.

Before everything else, we must point out that it is unfortunate that the prime minister included the disparaging phrase, "the notorious amnesty organization," at a time when Turkey feels a need for the organization's intervention because of incidents taking place in Bulgaria and, moreover, when it, from time to time, sends dispatches for its reports.

On another hand, the words, "We answer some letters, not others, because we, too, make the same demands," cause one to shudder.

Can't this be interpreted to mean that the prime minister does not stoop to reply to the letters and that this is because he does not take them seriously?

If this is so, then doesn't his next phrase, "because we, too, make similar

demands," mean, "we, too, do not deserve a response as we send letters here and there that are not serious?"

At a time when foreign affairs are being forced into a corner by the Bulgarian's unjust policies, it is very worrisome for the prime minister to make statements that give Sofia an upper hand.

After taking a positive, clear-headed approach to the press, he then gets up and says things that indicate he does not take himself seriously.

Is this possible?

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PROGRESSIVES ACCUSED OF EXPLOITING FUNDAMENTALISM ISSUE

Istanbul TERCUMAN in Turkish 15 Dec 86 pp 1,12

[Editorial by Nazli Ilıcak: "Religion and Progressivism"]

[Text] Incidents of reactionarism have occurred throughout Turkey's history. Virtually all such incidents were pretexts for attaining political goals. The 31 March incident ended with the deposition of Abdulhamit from the throne. The Seyh Sait rebellion was followed by the closure of the Progressive Party. The martyrdom of Kubilay at Menemen after the abolition of the Free Party served to justify the closure of this reactionary (sic) party.

The saying of prayers in Arabic was used as a pretext to accuse the Democratic Party of reactionarism after 27 May [1960]. The "cloggers [takunyacılar]" group at the State Planning Organization [SPO] was one of the strong (sic) rationales of the 12 March [1971] intervention.

Reactionarism

There have always been reactionary movements in Turkey. Numerous individuals declared themselves messiahs [mehdi] in the course of Turkey's history. We had Seyh Sait; we had Giritli Mehmet who caused the incidents that led to the beheading of Kubilay; and we had Evranosoglu who was detained because of his activities in the SPO.

Reactionarism, which represents a "yearning to return to the past" has always existed in Turkey. However, this peril is being exaggerated for political motives, and a molehill is being turned into a mountain. Kazim Karabekir Pasa, the leader of the Progressive Republican Party, said: "Those who imperil our national existence by exploiting religion deserve all forms of damnation." However, his party was shut down because "conclusive evidence that it engaged in reactionary-type provocations and used religion for political motives."

Fethi Bey could also not avoid being branded as a reactionary despite his service as ambassador in Paris and his contemporary lifestyle. The success of the Free Party in the municipal elections had brought allegations of reactionarism to the forefront. Fethi Bey said in this regard in a speech before the Turkish Grand National Assembly: "The most distinguished residents

of cities and towns were tarnished with allegations of reactionarism. Until the municipal elections, it was said that the people were happy with the government. How could they have become reactionaries immediately after the municipal elections? How did the movement known as reactionarism come about? Did the people say 'we do not want secular laws, we want the return of the caliphate?' Those who interpret the people's wish to vote for the Free Party as reactionarism are those who want to monopolize the people's votes."

With these remarks Fethi Bey beautifully exposed those who exploit the peril of reactionarism for political motives.

Platonic Philosophy

Those who belittle the citizens' votes as the votes of the ignorant are the same people who brand adherents to religious rules as reactionaries. Such individuals have never understood the people and have always looked down on them from ivory towers. They subscribe to Plato's philosophy of the shepherd and his herd. According to Plato, the people are ignorant and must not have a say in how they are governed. Therefore, a system run by philosopher intellectuals must be established. Our intellectuals have endorsed Plato's model and have always seen themselves as political gurus.

In the last by-elections, Ecevit realized this rift between the people and intellectuals and began talking about God, religion and faith. However, he changed his stance following the appearance of exaggerated rumors about reactionarism in the papers and began attacking the Suleymanists without any corroborative evidence. He was even heard saying: "The Suleymanists may try to assassinate me."

The practice of trying to win the race for progressivism by exaggerating the peril of reactionarism continues to be fashionable in Turkey. There is a belief that whoever shouts "reactionarism is coming" more loudly will probably win the race.

It is true that religion is exploited in Turkey--not just by reactionaries but by those who pretend to be "progressives." While trying to win political points and to appear as progressive by clamoring that "secularism is being lost," our progressives are also attempting to break and to eliminate their opponents with allegations of reactionarism.

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ISLAMIC RESURGENCE COMPARED TO OTHER WORLD RELIGIONS

Istanbul TERCUMAN in Turkish 15 Nov 86 .p 9

[Yilmaz Oztuna article: "On Reaction"]

[Text] The word Reaction [Turkish: Irtica], in its current sense, first entered the literature of our politics as one of the slogans of the Unity and Progress Party [in the last years of the Ottoman Empire]. According to that party, the opponents were reactionaries whose activities amounted to reaction, that is, were aimed at going back to the [absolute monarchist] period of [Sultan] Abdulhamid.

In the democratic era, some leaders looked upon any kind of national expression as reaction and deprecated the nation for it. They, however, never managed to get the nation's vote and never came to power.

This is a game that has often been put into play. Today, the word reaction is used rather in the sense of an aspiration for a state based on Sharia law on the Iranian model. More correctly, this is what certain machinations would have us believe.

Last week, the very highly regarded British TIMES reported that "Reactionary movements in Turkey are threatening Ataturkist secularism." It used the phrase "Ataturk's heritage under siege."

As a historian, I naturally recalled THE TIMES' slick antagonistic editorials in the years of our National Struggle. And now look who is defending Ataturk!

Had this been an article deriving from concern that Turkey might be transformed into an Iran, one could disregard it as simply due to the ignorance of someone unfamiliar with the profound differences between Turkey and Iran. But the author of the article is the paper's Athens correspondent, Mario Modiano, and this man is not English. That the defense of Ataturk should fall into such odd hands will merely arouse antagonism in Turkey.

Britain, as you know, is not secular. The British sovereign is the head of the Anglican sect. In other words, the Archbishop of Canterbury--who,

incidentally, takes precedence in state protocol over the Prime Minister-- is not the head of the Anglican sect. The Queen is.

And what is supposed to constitute reaction in Turkey? Koran courses, women with headscarves, Kerim and Adnan Hoca and... a statement by the Turkish Prime Minister, saying "I am a devout Muslim"....

It seems that in treating Turkey as if it were mentally retarded, the highly respected TIMES has adopted the same position as the Bulgarian foreign minister. This, however, is not an honorable position. It is, at the very least, not a scientific, neutral, and humanist position. Coming from Britain, which has spread democracy throughout the world, it is particularly unbecoming. It shows just how far the enemies of Turkey have infiltrated.

In Turkey, unlike in the West, the heads of state and government do not take part in religious ceremonies in places of worship. I have never heard of any Western statesman saying "I am a lax Christian." Nor can any politician who speaks against religion win the support of the people. The truth is that only animals have no religion.

Would placing restrictions on the study of the Koran not amount to placing a very great embargo on the freedom of thought? As for what one wears, that too is one of the personal freedoms of a citizen, as long as it does not offend the public or is not obscene. The streets of Europe ebb and flow with nuns dressed in garments that shroud all, and with clergymen and sect members dressed in their various garbs.

Fortuntellers and faith healers ply their trade freely in Europe, complete with nameplates and advertisements. These have nothing to do with religion. Who says, anyway, that there is any dearth of people willing to be fleeced in order to be entertained?

I absolve the Turkish nation from any charge of being an utterly credulous, easily deceived and misled nation. I am very well aware, as a historian, that it is not such a nation....

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FUNDAMENTALIST RESURGENCE SEEN AS PATRIOTIC

Istanbul MILLI GAZETE in Turkish 15 Dec 86 p 5

[Article by Abdullah Hocaoglu: "Reactionarism Shows Its 'Teeth'"]

[Text] Clamors About Reactionarism and the Economy

You might wonder what link there is between the "deluge of slanders about reactionarism" that has been raining on Turkey in recent months and the state of the economy. There is a very important and direct link.

Turkey's economy is largely controlled by the Jewish-Greek-Armenian minority trio. The Turkish industrialists and merchants who fill whatever gaps are left by this trio are mostly serving--knowingly or unknowingly--the interests of the West rather than those of Turkey through the Masonic societies and the Rotary and Lions clubs.

This unusual property of the Turkish economy--unseen anywhere else in the world--makes a conflict of faith between the country's Muslim majority and the Christian-Jewish or cosmopolitan minority unavoidable. While the interests of the people mandate the industrialization of Turkey and the building of an increasingly independent economy, minority groups oppose heavy industry and the nationalization of the economy to guard their international interests.

While this paradox pushes Turkey backward every year, the painted press controlled by Rotarians, Lions and Masons disfigures the Muslims' attempts to stand by their religion with the stamp of "reactionarism."

The Jewish-owned holding companies, which rely primarily on the assembly industry, are afraid that the Turkish people will awaken and become aware of their dominance over the economy. Such an eventuality, that is a Muslim awakening terrifies the Jewish billionaires who "inconspicuously" defend the interests of Israel and the United States. They realize that the more the people are aware of their interests and the more claim their interests, the more difficult it will be to sell their refrigerators, oils and shampoos. A Turkish nation which knows who its friends and foes are and which claims possession to its national interests causes insomnia among the Jewish-Greek-Armenian holding companies and the Masonic-Rotarian-Lions industrialists and businessmen.

As the pace of Islamic awakening quickens in Turkey, the billionaire press lords of Babiali are trying to raise a clamor with all their noisiness: "Reactionarism is coming. Reactionarism is escalating. The peril of reactionarism." Yes, there is a great danger that the people of Turkey may become aware of their interests. But who is imperiled? It is not Turkey which is imperiled. Islamic resurgence is a peril for Greece. It is a peril for Israel. It is a peril for the Armenians. There is no peril for the Turkish people; there is only the promise of development, prosperity and growth.

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SULEYMANIST SECT MEMBERS ARRESTED

Istanbul CUMHURIYET in Turkish 15 Dec 86 pp 1,11

[Recep Aslandur report]

[Text] Balikesir--People performing religious rites and hostels officially named "Association for Aid to Course and School Students" and affiliated with the "Suleymanist sect" are reportedly growing in number. In Dursunbey, 20 Suleymanists were arrested following a tip-off. Of the 38 students receiving religious education in a "sect dormitory" in the village of Hisaralan -- officially affiliated with the "Association for Aid to Course and School Students" although no middle school exists in the village--10 have been determined to be students in the middle school of Ilica, a nearby town.

After a tip-off was received to the effect that 20 persons from eight villages in the Dursunbey district were regularly performing religious rites on certain days, a raid was organized on a house. The 20 persons caught during the raid last week were arrested after their initial interrogation. Dursunbey Public Prosecutor Cengiz Cakiroglu disclosed that the said 20 persons together with the files on their cases have been sent to the Istanbul State Security Court.

Balikesir Public Prosecutor Teoman Meteoglu said that his office is investigating a report in our paper with regard to a "sect dormitory" in the village of Armutalan and added: "We consider reports published in newspapers as tips. The necessary steps are being taken."

It is reported that a "sect dormitory" also exists in the village of Hisaralan, near Armutalan. It has been learned that the dormitory, established by the "Association for Aid to Course and School Students" even though a middle school does not exist in Hisaralan, houses 38 students coming primarily from the districts of Kepsut, Edremit and Havran and affiliated villages.

Hisaralan village head Musa Imran said that all the students at the dormitory have been brought from outside. He added:

"Currently there are over 30 students in the dormitory. There is another dormitory in the town of Ilicak. But we do not know why they are coming here. No students from our village are staying in that dormitory."

It was learned that the director of the dormitory--where religious education is reportedly offered--is Fahri Celik of the district of Kepsut and that the leader of the association is Yasar Bayar, a resident of the village. It was also learned gendarmes have occasionally inspected the dormitory. Village head Imran said: "We can enter the dormitory only when the gendarmes are inspecting it. We cannot enter it at other times. I did not see anything unusual when we visited the dormitory."

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DEBATE CONTINUES OVER PARLIAMENT'S MOSQUE

Istanbul CUMHURİYET in Turkish 15 Nov 86 p 2

[Article by Cengiz Bektas, architect: "Debate at Ataturk's Table on a Mosque for the National Assembly"]

[Text] The illustrated article by the honorable Erhan Akyildiz, taking up nearly all of the top half of the front page of the 31 July 1986 issue of CUMHURİYET, was interesting. It provided information on the decision taken and the plans approved for a mosque to be built at the Turkish Grand National Assembly [TGNA]. It told how architect Behruz Cinici has resisted the demands of Certain TGNA members that the mosque should incorporate a dome and a minaret.

This rather "newsy" article without much of an opinion of its own gave me food for thought. It was quite obvious that it was meant to initiate a debate.... It was sounding a warning by making "news" of the decision for the construction of a mosque at the TGNA. Next, there would be the necessary reaction from the sections of the public who believe in secularism and the republic....

A reaction to this "news" came--the first of its kind, if I am not mistaken--in a week or two, from Prof Dr Ismail Tunali. With high hopes, I began reading his article entitled "A Mosque for the GNA" in the "Events and Views" section of CUMHURİYET.

What a lot of truths did Tunali spell out: "To imitate in our day the great edifices of the past that were modern and in the national spirit of their day is contrary to the spirit of art; similarly, edifices that are the product of such an act of imitation, such as the Kocatepe Mosque [in Ankara, are both anachronistic and alien." (Footnote 1) In my view. Tunali must explain this "national character" in a previous article...)

I rushed through the article in the hope of "here comes the crunch." I came to the end without finding what I had hoped for.... This is how it ends: "Therefore, architect Behruz Cinici's artistic stand in rejecting the imitation of the past for the design of the mosque to be built at the GNA articulates the artistic integrity of modern and national Turkish architecture itself."

Ismail Tunali fails to meet my expectations...

He does not discuss the implications of building a mosque at the TGNA at all.

What he discusses is the impropriety of the wish to imitate in designing a mosque.... Even if the mosque were to be built outside the RGNA, even if Behruz Cinici had no need for such defending or generous praise, one would still have thanked Tunali on behalf of architects.

Cinici has long earned the approval of his public by the works he created. "Copying" from the past is naturally out of keeping with his character. Besides, this is not the first struggle for modernity in its field. To my knowledge, at least three examples of modern mosques were produced by architects as far back as a quarter century ago.

But one still cannot ignore what Tunali says. In republican Turkey, the overall situation in this field is as pathetic as that.

At a later date, an article entitled "Can There Be a Transition to Modernity Without Culture?" by Prof Bedia Akarsu appeared, once again in the Events and Views section of CUMHURİYET (21/8/1986).

Akarsu said in this article: "It is obvious that an artist who is unaware of the direction and course of his era, of its developing and shifting structure and culture, is incapable of achieving anything. The Sisli Mosque in Istanbul and the Kocatepe Mosque in Ankara, each an imitation of (the classical work of the 16th century master architect) Sinan, stand as examples of this..."

Falih Rifki Atay had described the Sisli Mosque, as far back as when it was built, as "a falsehood and a half." As for Kocatepe, the Chamber of Architects put up what fight it could in connection with it. But it could not muster sufficient support against the powers that be.. Nevertheless, many thanks to Akarsu. I read her article, too, in the hope of finding in it the reaction I was looking for. But what a pity that there is not even a peep in it about the implication of building a mosque at the TGNA. She thinks of it as she would about a mosque to be built in any old place in Ankara. (Footnote 2) (I am also compelled to dwell on certain mistakes, hoping that she will forgive me for doing so.

("Another example in the field of architecture is the case of the mosque project, a major edifice that was developed in the early 1960's by the great artist Vedat Dalokay in place of what is now the Kocatepe Mosque, which those in power turned down. If that project had been implemented, Ankara would look different today, it would present itself to us as a more modern city. What is a source of shame for us is the fact that this project was bought by Pakistan and turned into a monument."

(Dalokay's Kocatepe project and the Islamabad Mosque project which was built are two different works. The first won first place in a national

competition. The Islamabad Mosque project, on the other hand, was the winner of an international competition open to all architects throughout the world.)

In a nutshell, Akarsu also does not provide the reaction I looked for. This is the way Akarsu concludes:

"Those who frequently reiterate Ataturk's words that 'we shall rise above the level of modern civilization' must first try to grasp the meaning of that statement and then lend their ears to the voice of the great artists."

Now let us look at how far we have moved away from the Turkey of Ataturk and its reference to the level of modern civilization.

An axis, a straight line beginning at Guven Park in Kizilay carries on through to the ministry buildings and ends at the TGNA, which symbolizes the "unqualified and unconditional sovereignty" of the nation. Ataturk's republic recognizes no other force. In architectural terms, the TGNA building constitutes the conclusion and crowning point of the axis of the balance of powers.

Just as I was losing hope, the first reaction along the lines I was expecting came from Kemalettin Soylemezoglu. In an article entitled "A Mosque at the Assembly," in the "Once in a While" section on page 2 of the 7 November 1986 issue of CUMHURIYET, Soylemezoglu said: "... The report of the move to have it [the mosque] built within the building complex of the Turkish Grand National Assembly (our supreme institution), the legislative organ of the secular Turkish Republic, is causing the cup of concern to brim over and to lead to revolt."

The demand to have a mosque built at the TGNA is not new.

I cannot recall the year exactly. It can be ascertained from documents at the Chamber of Architects. But it was no less than 10 years ago. There was to be a competition for a mosque intended to be built at the TGNA. The Chamber of Architects was asked to propose nominees for the selector's board. I was one of the Chamber's nominees. The Chamber of Architects did not consider the construction of a mosque at the TGNA as one of the rights [word as published] of republican Turkey. It dispatched its defenders of this viewpoint to the selector's board. As members of the Chmmber of Architects, we raised the question at the first meeting of the selector's board, constituted with the participation of members sent by the TGNA, of the rights and wrongs of building a mosque at the TGNA.

As the debate moved on toward a conclusion we were unable to avoid, we said that the proposition could not be implemented lawfully under current legislation without the permission of the architect of the building. The architect whose design had been selected by international competition was Clemens Holzmeister, an Austrian. We were told he was dead. Holzmeister was in fact alive.... We supplied his address in Austria to

the chairman of the selection board.... So the matter of the competition for the mosque was dropped for a time.

Quite a while later, Holzmeister was invited to visit Turkey. On arrival, he was shown great courtesy as an honored visitor. When the opportunity arose, he was consulted, as the architect of the building, on the matter of the mosque. As a man who had known the Turkey of Ataturk, Holzmeister withheld permission. Holzmeister, however, has since passed away.

Now I have the following vision in my mind's eye:

Ataturk is presiding at his famous dinner table.... Like the time he had entered the question of establishing the Turkish Language Association or the Trukish History Association.... (What I am saying is not a practical proposition, but I am just putting it forward to provoke thoughts as to what Ataturk's reaction would have been....) Certain honorable individuals begin discussing--in front of him--the style of the mosque to be built at the TGNA.

Do you know what would have happened in such a case?

Let those who know, tell the world!...

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CSO: 3554/130

COMMENTARY WARNS AGAINST HASTY PENAL CODE REVISION

Istanbul MILLIYET in Turkish 8 Nov 86 p 10

["Thoughts of the Thinkers" column article by Dr Abdullah Pulat Gozubuyuk, honorary president of the 8th Penal Department of the Supreme Court of Appeals: "The Draft Penal Code"]

[Excerpts] Every state has basic laws other than its constitution which regulate its basic legal structure and which are important because of that. Among such laws, the principal ones are the civil law, debts law, the trade law and the penal code.

In amending basic laws it is essential to pay attention to issues of implementation as well as academic principles. The latest example in our country was the complete overhaul of the Turkish Trade Law. It became necessary to completely overhaul our trade law which went into effect on 29 May 1926 because in time it became inadequate to deal with issues in its domain. For this purpose, the Ministry of Justice formed a panel headed by trade law specialist Professor Ernest Hirsch to prepare a draft. After years of work, this panel prepared a draft and sent it to the schools of law and bar associations in Ankara and Istanbul and the presidency of the Supreme Court of Appeals to hear their views. The views expressed by these bodies were examined by a new panel headed by Professor Hirsch. After careful review the draft took its final form, was submitted to the Assembly and became law after it was approved on 26 May 1956. The Ministry of Justice has now formed a panel with the purpose of completely overhauling the Penal Code.

Care Must be Taken

It is seen that the same care must be taken in the complete overhaul of our Penal Code which is one of our basic laws. Because the Penal Code is not a law about carrying identity cards. The Penal Code is a very important basic law which differs from other laws. It is evident how important it is for such a change to conform with the social conditions of our country, the moral and intellectual constitution of our people and the protection and preservation of the government system and social order.

In both the overhaul of the Turkish Trade Law and the Swiss Penal Code the drafts prepared were reviewed not by the initially formed panel but by new panels composed of different experts and established in different stages of the work.

Conclusion

One of the important reasons these reviews must be carried out by different panels is that different views from various experts can make the draft more perfect and flawless. In view of this fact, it is very important for the goals and motives of this effort to conduct future work along these lines. Because of these reasons, hasty action on the draft may lead to irreparable problems.

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NEW NEWSPAPER BEGINS PUBLICATION

Istanbul MILLIYET (BAKIS Sunday Magazine) in Turkish 2-8 Nov 86 p 23

[Text] After drawing public attention through an extensive commercial campaign on television, the daily YENI HABER [New News] began its life with a "bismillah [in the name of God]" as its editor-in-chief C. Cem Erturk would phrase it. Erturk wrote that the union established with the readers will, "by God's will," be everlasting as long as the nation and the country exist.

Featuring eight columnists, the new paper's most interesting recruit was Ahmet Kabakli. YENI HABER recruited its most prominent staffer from TERCUMAN. In his first article for the paper featured on the front page, Kabakli stated that the new paper "will not allow any transgressions against the Islam of the Koran and Muhammad." In his second article, Kabakli said that the paper's policy will be bounded by "fear of God, principles of law, respect for the state and democracy and love for the nation." Kabakli's former colleague at TERCUMAN, Rauf Tamer, described his departure as a "great loss" and concluded his lengthy article as follows:

"All newspapers, old and new, come and grab a piece for yourselves. Come and take our remaining colleagues. We see that it is not working. Despite your efforts from the outside and ours from the inside, we have not been able to kill this paper."

YENI HABER's major writer on the back pages is Mehmet Sevki Eygi, the only person who did not appear in person in the TV commercials. Eygi, who is known to conservative readers from his articles in BABIALIDE SABAH [Morning in Babiali] and BUGUN [Today] in the 1960's, said in his column:

"The state must not interfere in any way in issues of religion, faith, worship, language, culture, literature, history, art, mode of dress and beards and mustaches. If it does, there will be rebellion; both the state and the nation would be hurt."

Carrying two pages of sports and one page of television news, YENI HABER featured in its first issue "guest writer" Atilla Ilhan. Ilhan, who was the first one to be featured in "Dialog," a forum to exchange opposing views, said

in the first sentences of his article: "The Seljuk-Ottoman culture was completely rejected under Ismet [Inonu] Pasa. Our intellectuals fell into the arms of the West."

With its very first issue, YENI HABER tried to teach the "virtues" of cutting coupons to its readers. It announced that those who save a certain number of coupons will receive free books from the series "I am Learning My Religion." The first book of the 10-book series is entitled "I Am Praying." The inside pages of the paper feature installments of the Mustafa Necati Sepetcioglu's latest work, "Ebu Hanife."

Another noteworthy feature of YENI HABER's first issue was the large advertisement bought by the "Faisal Finance Corporation." YENI HABER is owned by Kemal Kinaci on behalf of the Haldun Simavi group. The paper was established on the premise that the religious movement is steadily growing in the country. However, so far the paper has not sold as much as expected. Average sales for last week were only one-fifth of what was expected.

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COMMENTARY QUESTIONS TURK-IS COMMITMENT TO WORKERS

Istanbul MILLIYET in Turkish 22 Dec 86 p 8

["Telex" column by Teoman Erel: "A Supraworker Policy at Turk-Is"]

[Text] The general assembly of Turk-Is [Turkish Confederation of Labor] will convene today. Will primarily it discuss worker problems or conflicts of interest among unionists?

Will this general assembly set new policies to remove the hurdles before the now-restricted worker rights and freedoms and choose new cadres to implement these policies, or will we witness skillful footwork aimed at fortifying the salaries and status of prominent unionists?

Only 24 hours before the assembly convenes, we read the following reports coming from Turk-Is:

Ms Imren Aykut, who once served as a specialist on both worker and employer unions and who entered politics with the Nationalist Democracy Party but who later switched to the Motherland Party, has reportedly been charged with the task of ensuring that Prime Minister Ozal is not jeered if he attends the general assembly meeting. She is reportedly working to prepare a moderate climate in case Ozal manages to return from Yemen on time and attends the Turk-Is meeting.

Prime Minister Ozal has reportedly said that as a former leader of the Metal Products Industrialists' Union he understands the workers' plight very well. Ozal is also said to have suggested that Turk-Is and the Turkish Employers' Union set up "joint bureaus" to defend workers' rights.

It is reported that our prominent unionists' attentions are focused on administrative council elections. That is because, it is said, professional union administrators are serving out their last term of office according to the law. It is said that the only exception to this rule will be those who take part in the administration of Turk-Is. Only these individuals will have the right to be reelected. Consequently, the issue of getting elected to the Turk-Is administrative council is said to have become a matter of "being employed or unemployed."

It is said that there are a not-so-small number of unionists who consider themselves to be social democrats but who do not support Cevdet Selvi, the social democratic candidate for the leadership of Turk-Is. Some of these are said to be proposing a middle way by calling for "joint administration in Turk-Is" while some others are reportedly undecided since they attend the meetings of both the social democrats and the proponents of the middle way.

The reports mentioned above are not encouraging for the workers.

The government and the employers are evidently working to take advantage of the weaknesses of the unionists and to perpetuate Turk-Is' ineffectiveness; they will probably succeed once again.

Unless all unionists who claim to be social democrats do not withhold their support for candidate Cevdet Selvi who has proven to be a stubborn labor leader in the last few dark years.

It is predicted that this support will be withheld. The pseudo-social-democratic unionists are talking about a set of complicated preconditions and are saying:

"We have no alternative other than Sevket Yilmaz."

In fact, they want neither change nor alternatives. They are terrified of real change out of concern for themselves.

In the post-12 September period, the purported existence of a dichotomy of interests between workers and unions was amply propagandized. The goal then was to isolate the worker and to leave him disorganized. We see with grief that this propaganda has in time turned into reality.

A few days ago we witnessed an argument between former labor leaders. A unionist who was responsible for the supraparty policy said:

"The social democratic politicians who have criticized us in recent years for promoting a supraparty policy were themselves supporters of that policy at one time. Because at that time there was the Turkish Labor Party; the supporters of the Republican People's Party backed a supraparty policy formula in order to prevent Turk-Is from establishing closer ties with the Turkish Labor Party whose views were the closest to Turk-Is' views. Now a Labor Party does not exist, but social democratic politicians have also been drained of strength."

How can one dispute such accurate diagnosis? They divided and demoralized both the social democratic unionists and the social democratic politicians.

Turk-Is, on the other hand, has fallen even beneath its the supraparty policy and has descended down to a "supraworker" policy which serves the purpose of securing a retirement home for tired unionists.

OZAL BLAMES REDUCED EXPORTS ON LOW OIL PRICES, PROTECTION

Istanbul DUNYA (Supplement) in Turkish 22 Dec 86 pp 1,5

[Interview with Prime Minister Turgut Ozal; date and place not given]

[Text] Dismissing views that exports have been weakened by growing domestic demand, Prime Minister Turgut Ozal blamed the decline in exports on shrinking oil revenues in Middle Eastern countries and the continuing protectionist mood in Western countries. Describing the increase in imports as a "positive development for the future," Ozal disclosed that the "import regime will be liberalized even further." Stating that antidumping legislation will be passed "very soon" to help exporters and industrialists, Ozal said that the "cheap energy" will become an agenda item in the coming years and that the "recently introduced subsidies for shipping charges will be expanded." With regard to the issue of how well foreign trade financing corporations have performed their functions, Ozal said that these firms played a major role in Turkey's entry into the Chinese, Indian, Japanese, Canadian and Venezuelan markets. Prime Minister Ozal responded to DUNYA's questions on Turkey's foreign trade as follows:

DUNYA: It is observed that Turkey's exports, particularly those of industrial products, have declined since the second half of 1986. In contrast, imports have continued to grow, though only partially, despite the decline in oil prices. Export financing firms have occasionally attributed this decline to the reduction of export incentives and the government's failure to lower the value of the Turkish lira adequately. Could you tell us about the role of the following factors in the decline of exports:

- a) the expansion of domestic demand;
- b) the reduction of export incentives;
- c) the government's failure to lower adequately the value of the Turkish lira against foreign currencies (especially the U.S. dollar); and
- d) the decline in oil prices.

Ozal: It is a fact that exports have declined since June 1986. As you know, our original export target of \$8.7 billion for 1986 was subsequently revised downward to \$8 billion. However, exports in January through August 1986 were

7.9 percent lower than the corresponding period of last year. As a result, exports for 1986 are expected to total about \$7.5 billion.

The reason for this drop in exports is the decline in oil prices which has reduced the demand of Middle Eastern countries for our export products. Perhaps more importantly, while we expected our trade volume with Western countries to grow, this has not happened because of their continuing protectionist mood.

An analysis of our exports by product categories reveals that declines in sales of leather apparel, cotton, wheat and tobacco are large enough to account for the general decline in exports in the first 6 months of the year. Moreover, our revenues from oil product exports have also declined paralleling the decline in oil prices.

Let me give you some figures.

An breakdown of our exports in the first 8 months of 1986 by buyer countries reveals that the most substantial declines occurred in exports to the Islamic countries. More exactly, exports to these countries declined by 11 percent in the first 8 months of 1986 compared to the corresponding period of last year. Among these countries, the sharpest declines occurred in exports to Iran and Iraq. For example, our exports to Iran declined from \$667 million in 1985 to \$466 million in 1986, while sales to Iraq dropped from \$608 million in 1985 to \$433 million in 1986. As I stated at the beginning of my answer, this can be explained with the decline in the revenues of oil exporting countries. We can also mention the negative effects of the industrialized countries' protectionist policies on developing countries such as Turkey which are trying to open up to the outside. To cite concrete numbers in our case, our exports to EEC countries in the first 8 months of 1986 were 6.8 percent lower than our exports in the corresponding period of last year. In my opinion that is completely attributable to protectionism.

As for the issue of expansion of domestic demand, in 1986 Turkey's economy grew more than what we had predicted. While we had predicted that the country's GNP would grow by 5 percent, it is now estimated that the growth rate will be 7.9 percent.

It is evident that such a growth rate would have an amplifying effect on our imports. However, in the present circumstances we do not see the increase in imports as a threat; on the contrary, we see it as a positive development for the future. Indeed, we will liberalize our import regime further next year.

As for the value of the Turkish lira, our day-to-day and realistic currency policy begun with the 24 January decisions is still in effect. Developments in international money markets and the world situation are the primary factors used in the determination of exchange rates. The value of the Turkish lira against foreign currencies is weighted with respect to our dollar-based foreign trade and is set by determining an exchange rate which will account for the difference in the inflation rate between us and the country involved. This is how it has been done from the outset.

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DUNYA: Industrialists have been demanding that export incentives must begin at the investment level. Are there any plans to offer export incentives at the investment and production level? If so, what type of incentives are contemplated at these levels?

Ozal: Our economic interests mandate that we pay particular attention to the rational utilization of our country's scarce resources. The optimal use of existing resources, the improvement of our balance of payments and, related with that, the expansion of our export revenues are each important issues on their own. The determination and implementation of unified incentive policies for investments and exports is important for our country's economy from a perspective of expanding our exports in accordance with our plans and programs and changing the composition of our exports. Having summarized the issue this way, I would now like to discuss the "industrialists' demands for export incentives at the investment level." Both our investments and exports have been transformed qualitatively and quantitatively and have begun to adapt to developing and changing circumstances. From that perspective, we see that the incentive measures have not a static but a dynamic structure. However, let me state that we always pursued the interests of our industrialists and exporters and we will continue to do so.

Today, there are numerous investment-level incentive measures in our country. For example, it is well known that we have restored the attractiveness of cheap credit and that we have expanded this program in the agricultural sector and touristic investments in particular. Also, the said loans are exempt from all taxes and fees in projects which qualify for incentives. For such investments, all types of machinery and equipment can be freely imported from abroad and in the event products included in the global list are purchased domestically, investors are given an incentive premium of 20 percent. As a result, our domestic industry is indirectly supported.

Investment and production-level incentives to lower the cost of export products will be continued in the coming years. In this context, agricultural products qualifying for the Support and Price Stability Fund--which transfers resources to our industry--will continue to be subsidized in the coming years through cheap fertilizers, chemicals, loans and price supports. In addition, by subsidizing the price of industrial animal feed by 20 percent we supported at the production level both the livestock sector and many subsectors which depend on this sector. Manufacturers are also provided with forestry products and similar raw and semi-finished products at very attractive prices at the investment level if their products are export-oriented.

Another major incentive instrument which we began implementing at the beginning of this year is the payments made from the Support and Price Stability Fund in specified amounts for products with export potential to provide them with a competitive edge in foreign markets.

A new prospect which will be considered in the coming years is the ending of our country's dependence on foreign sources for its energy needs and providing our industry--and therefore indirectly our exports--with cheaper energy.

I believe that it would be appropriate to state here that the subsidies introduced for shipping charges will be continued and expanded in the coming years.

DUNYA: Can it be claimed that Turkey's export products are sold primarily in non-OECD countries and that these markets were largely created in the last few years? How well have the export financing firms performed their functions in terms of creating stable markets? What steps and initiatives are being taken to create new markets for Turkey and to reverse the unfavorable foreign trade balances in existing markets?

Ozal: Although GATT, to which we are a signatory, calls for free trade, today protectionism is unfortunately prevalent in industrialized Western countries for one reason or another, though primarily as a result of the first and second petroleum shocks. We consider this an extremely dangerous trend for world trade and we have stated this emphatically on every occasion.

It is evident that the substantial declines observed in the world price of oil is to the advantage of industrialized countries. One would expect that this would result in an expansion of trade volume with Western countries. However, that has not happened, and the existing restrictions have invalidated trade rules and upset the allocation of resources.

You must appreciate that in such an environment the weak will inevitably be eaten up by the strong. It is with this premise in mind that we established the system of export financing firms to strengthen our export structure. I believe that that move yielded success because we were able to penetrate for the first time non-OECD markets such as China, India, Japan, Canada and Venezuela which we had not been able to do before 1980. The export financing firms played a major role in the establishment of a stable structure in our exports to these countries.

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MARKETING SHIFTING FROM MIDDLE EAST TO AFRICA

Istanbul DUNYA (Supplement) in Turkish 22 Dec 86 p 4

[Text] To compensate for the contraction of Middle Eastern markets, exporters have reportedly begun to seek new markets primarily in North and West Africa. Mahir Vural, the director general of Bati Marketing Import and Export Corporation, stated that Turkish exporters are encountering tough competition from European countries in the said markets and that until the recent introduction of new economic decisions Turkey's chances of competition were steadily declining. Stating that the new decisions have raised new hopes, Vural said:

"The export figures of Bati Corporation dropped from \$50 million in 1984 to \$35.5 million in 1985 and \$30.5 million in 1986. These declines in our company's exports which were matched with declines in Turkey's total exports stemmed from various causes. The most important of these factors were fictitious exports and irregularities in the implementation of the value added tax. The shrinkage in Middle Eastern markets also played a major role.

"The U.S. and European markets which are seen as alternatives to the Middle Eastern markets are hard to penetrate. Import quotas and antidumping regulations are the primary cause of these difficulties. Another major difficulty is the large size of those markets. Exporters often cannot meet the large demand that exists in such large markets."

Stating that the failure of Turkish companies to operate in the U.S. and European markets is also attributable to their inadequate marketing organizations, Vural continued:

"The distance of U.S. markets from Turkey is substantially increasing shipping costs. In addition, the marketing organization of an exporting firm is also very important. Because Middle Eastern markets are closer to Turkey, compared to the United States it is easier to maintain offices and employees in those countries. Having the same services in the United States would increase costs substantially. This is a major factor that diminishes our chances of competition."

New Markets and Incentives May Help Exports

Stating that until the latest export incentive decisions many exporting firms were planning to change their line of business, Vural said:

"Our firm's primary exports are iron and steel, timber, textiles, leather apparel, cotton and synthetic apparel.

"When our exports began to fall in 1985 we went to the coasts of North and West Africa in search of alternative markets. Since then our total exports to these markets has reached \$5 million. We believe that exports of \$5 million in a new market cannot be underestimated.

"Our biggest difficulty in entering these new markets comes from competition from European countries such as Italy, France, Spain, Holland, Romania and Bulgaria. For example, Spain can export steel at \$203 per metric ton compared to our cost of \$242 per metric ton. As a result, competition always works in favor of the European countries.

"Had the new export incentive decision not been taken, many foreign trade firms were contemplating to change their line of business. However, with these new decisions we believe that we can rejuvenate our exports. The new incentives are equivalent to the incentives in effect in 1984. Consequently, we believe that our company will increase its exports back to the \$40 to \$50 million level. However, if we want to expand our exports further, the incentives must be expanded to their 1982 levels."

Credit Issue Must Be Reviewed

Insisting that a "review of export credit system would have a positive effect on exports," Vural continued:

"As is known, profit margins are low in exports. The exporter who is working with such low profit margins would encounter severe difficulties in financing his sales.

"For example, a typical export shipment may total 1.5 billion Turkish lira. A foreign trade firm with a capital of 500 million Turkish lira would find it very difficult to finance this sale. Previously, the entire sale would be financed even at a cost of 55 percent interest. Now, interest rates have dropped to 38 percent, but only 25 percent of the FOB value of the shipment is eligible for financing. Financing the remaining 75 percent of the shipment is a major problem for the exporters. We believe that this issue must also be reviewed."

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BUSINESSMAN ANALYZES STATE OF ECONOMY, PUBLIC REACTION

Istanbul MILLIYET in Turkish 20 Nov 86 p 8

["Thoughts of the Thinkers" column article by Sakip Sabanci: "Let Us Know the Issues We Agree On"]

[Text] About Sakip Sabanci

Sakip Sabanci was born in the Akcakaya village of Kayseri in 1935. He attended elementary and middle school in Adana. He entered the business world at a very early age when he began working as a clerk in his father's Bossa textile factory. He served as a ranch manager and trade director for Bossa and later as the director general of Bossa. Currently, he is the president of the Executive Council of the Haci Omer Sabanci Holding Company. He is also the president of LASSA [Rubber Industry and Trade Corporation], SASA [Man-made and Synthetic Fibers Industry Corporation], KORDSA [Cord Cloth Industry and Trade Corporation] and INSA [Istanbul Nylon Industry Corporation]. He is the current president of TUSIAD [Turkish Businessmen's and Industrialists' Association], assembly member of the Istanbul Chamber of Industry and the president of the Kocaeli Chamber of Industry and Commerce. Sabanci speaks English.

One of the prerequisites of "nationhood" is that people living in a country must "share common beliefs on certain issues and have common goals."

As the Turkish nation, we, the people living in Turkey, also have common beliefs and common goals.

The willingness of the Turkish governments, political parties, politicians, intellectuals, writers, businessmen and industrialists to unite around these common beliefs and goals--known as "least common denominators"--or around the issues over which there is a general national consensus is the basic ingredient of the "creation of national unity."

If this is not done and only "disputed" beliefs, views, ideas and issues over which common goals do not exist are placed on the agenda, the nation would be pushed into an "environment of perpetual conflict."

Problems, Conflicts

This is how Turkey has looked in recent years. "Problems," "conflicts" and "despair" have been frequently cited as if there were no issues over which the Turkish nation agrees and has a consensus. The impression given is that everyone can pull the nation in any direction he wants as if this nation did not "clear and well-defined goals."

When we put everything on paper and try to make a list, we see that the issues over which there is national consensus outshadow and outnumber those which are disputed.

--We believe in a liberalist, democratic and parliamentary regime.

--We want Turkey to be part of the community of free nations and a member of the Western club as a powerful nation.

--We insist on our independence and we believe it is essential to have a strong defense system in order to defend our existing borders.

--It is our goal to ensure that the citizens of Turkey enjoy their human rights fully.

--We expect the justice mechanism to operate properly.

--We want all Turkish citizens to have access to modern educational facilities, to improve health services to the best possible level, to see our people own their homes and to improve housing standards.

--We want a high economic growth rate which will provide a job and a meal to every Turkish citizen and which will help build a self-sufficient but open economy.

--We believe that rational industrialization is the basic ingredient of development.

--We want to make maximum use of our agricultural and tourism potential while trying to industrialize.

--It is our goal to improve and to expand the taxation system so that the government can have sufficient revenues to pay for its expenditures and to expand its services.

--We want governments to govern the country with balanced budgets; we do not want them to increase the inflation rate by trying to finance budget deficits.

--We are aware of the importance of expanding exports and tourism revenues in meeting our foreign currency needs. We see rational foreign borrowing as a means of faster growth and creating new foreign currency revenue sources.

--We expect the government to emphasize and to give priority to infrastructure investments.

--We support the principle that public service corporations should avoid erroneous decisions and bad management which may lead them to become burdens on the budget and the economy.

--We support the right of private property, free enterprise and reasonable profits for which taxes are paid.

--We place importance on technological progress and research and development activities in order not to remain behind in the international race for technological development.

--We want to have strong governments which will ensure political stability in Turkey.

--We expect our governments to be sensitive about social peace and harmony.

These are only the most important "issues over which we are in agreement" as a nation. The list can easily be made longer.

These issues on which we agree and concur form what is known as "national unity."

Would it not be more beneficial if the means to achieve these common goals are debated rather than wasting time, which is our most precious resource, on generalizations such as "I am against the government, or this politician or that writer or painter"?

Conclusion

The climate of "destructiveness and despair" can be reversed into one of "constructiveness and hope" if arguments such as "this government has failed, it must be changed" can be replaced with a form of debate which elicits proposals such as: "This government has not been adequately successful in identifying a good export incentive system, and exports have not reached desired levels. The export incentive system should have been as follows;" or "the following steps must be taken to utilize the country's agricultural potential."

9588

CSO: 3554/154

IMPACT OF TETEK PROJECT ON ECONOMY

Istanbul MILLIYET in Turkish 19 Nov 86 p 10

["Thoughts of the Thinkers" column article by Professor Latif Cakici, Vice President of Ankara University and head of the Business Administration Department of the School of Political Sciences: "TETEK: A Giant Project"]

[Text] About Latif Cakici

Cakici was born in Konya in 1941. He graduated from the School of Political Sciences in 1963. He was appointed as graduate assistant in the same department. In 1968, he received his doctorate in economics. He became an assistant professor in 1972 and a full professor in 1977. Through research, investigation and teaching work at the University of Mannheim in the FRG and the University of California at Berkeley he followed closely the business literature and methods in continental Europe and the Anglo-Saxon world. In the course of his teaching activities at home and abroad he took on duties in university administration. He is currently the vice president of Ankara University and the head of the Department of Business Administration at the School of Political Sciences.

We learn from the press that the TETEK project, the Turkish Transit Highways Master Plan, which will link Turkey from one end to the other with highways, has reached the implementation stage. Having discussed the importance of such a transportation network and the need for the speedy realization of a complete shipping and transportation system together with some additional investments as far back as in 1977 (Cakici, Latif, "Chain Transportation with Containers," Ankara University School of Political Sciences publication, Ankara, 1978), we see our arrival at this stage as the realization a "great auspicious dream."

Three Separate Arteries

According to TETEK, the first highway will begin from the border crossing point with Bulgaria, extend from the north to the east and end at the Gurbulak border crossing point with Iran. A second highway will pass through Ankara and Adana and end at Cilvegozu on the Syrian border.

The third highway will begin at the Toprakkale turnoff and will pass through Gaziantep and Sanliurfa and end at the Habur border crossing point with Iraq. As is seen, these three highways will enhance our country's geographical location between Europe and Asia and will make it a true bridge between the two continents.

Our country has all the requisites to play a vital role in trade between Middle and Near Eastern countries and Western Europe and even America. In the present transit system TIR [International Highway Transport] trucks typically enter the country at Kapikule in Edirne and go to Iran via highway E-5 or to Syria and Iraq via E-24. Both highways are far from being able to handle the current volume of shipping and traffic. Moreover, highway shipping over distances of 2,000 kilometers is quite costly.

Meanwhile, Yugoslavia and particularly Bulgaria take the lion's share of the transit shipping business between Europe and Middle Eastern countries.

For all these reasons, our country can take certain steps and initiate work to eliminate Bulgaria as a competitor and to deal it an economic coup, to ease in-country traffic and to obtain a bigger share of the transit shipping business. When TETEK is completed as a giant project, our country will be transformed in terms of both domestic and foreign trade. However, if this project is aided by some additional work with regard to transit shipping, it can truly become the country's second largest project after the Southeast Anatolia Project and win a reputation as the nation's--primarily the Prime Minister's--"great dream."

What Needs to Be Done?

TETEK's emphasis is on domestic highways and envisages to establish a highway network. It is evident that when it is completed it will be one of the country's biggest projects. We must thank everyone who has worked and will work on this project from its inception to its completion. However, we believe that this project may produce much more beneficial results if it is supported by certain auxiliary work needed for "integrated container shipping."

It is estimated that rather than using the highway originating from Kapikule to carry goods from Europe to Syria and Iraq it would be more efficient to load containers on ships from Italy's port of Trieste, bring them to the port of Iskenderun and ship them with TIR trucks over the third highway.

It is also possible to ship the containers over the second highway of TETEK, which originates from Gerede and ends in Gurbulak after passing through Amasya, Erzincan and Erzurum. In fact, if a highway is built between Erzurum and Trabzon containers shipped from Costanta [Romania] to Trabzon may be dispatched to Iran via a short-cut route.

Conclusion

It is believed that our country can win a substantial share of the international transit shipping market with container and roll-on roll-off ferry services between Trieste and Iskenderun and between Costanta and Trabzon coupled with the TETEK highway system in Turkey. We hope that the government, which has begun working on this important matter, will make the said ports suitable for container shipping and will include some short spans (such as the one between Erzurum and Trabzon) in the project in order to realize a more complete project.

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MILITARY

SPAIN

FRG FIRM PROTESTS ARMS INDUSTRY'S ALLEGED INEFFICIENCY

Madrid EL PAIS in Spanish 9 Feb 87 p 18

[Text] Madrid--Directors of the West German firm Krauss-Maffei, manufacturers of the Leopard tank, have decided to freeze their contacts and negotiations with Spanish industries until the administration clarifies its position on the program for Spain to develop its own tank, with an anticipated investment of some 200 billion pesetas. On numerous occasions, Army High Commands have also remarked on the great delay in the development of the program.

Experts of that German firm have rescinded contracts signed over 2 years ago with some Spanish firms due to the fact that the continual delay in development of the program and the "clear incompetence" of the Spanish factories interested in the project have caused losses of tens of millions of pesetas to the West Germans, according to sources close to Krauss-Maffei.

The program to develop a Spanish tank, named Lince, was started in 1983. Competing in the implementation of this program are firms from the Federal Republic of Germany, France, and Italy, since one from the United States and another from the United Kingdom were eliminated. The competing companies entered into negotiations with Spanish firms, such as Santa Barbara or Enosa, to sign precontracts for the future project while experts from the Army General Headquarters evaluated the characteristics of the competing tanks.

Reports from the military emphasize the characteristics of the German Leopard 2 tanks. As a matter of fact, Army commands recommended to the minister of Defense that, in view of the great delay of the program, some Leopard 2 units be purchased now, but this proposal was rejected.

Now, added to the displeasure of some military commands is that of the aforementioned German firm, whose experts have asserted that the Spanish companies with which they have worked, and especially Santa Barbara, have not fulfilled their commitments and have made them "waste time for many months." The German firm has even rescinded the contract it had in Spain with a public relations company in connection with the Lince program.

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CSO: 3548/47

SUPPORT ROLE OF TERRITORIAL ZONE CENTRAL TO 'TOTAL DEFENSE'

Frauenfeld ALLGEMEINE SCHWEIZERISCHE MILITAERZEITSCHRIFT in German Jan 87
pp 25,26

[Article by Maj Gen Rudolf Bucheli: "Territorial Zone 2"]

[Text] 1. The Development of Territorial Zone 2 up to the Present

The legal basis for today's territorial zone, integrated into the Field Army Corps 2, is the ordinance by the Federal Council on territorial service which came into force on 1 January 1971. This date, however, signifies neither the hour of birth of territorial service nor the end of its development. Rather, territorial service goes back to the Federal Constitution of 1874, still in force today. In the military organization of 1874, the "territorials" were for the first time embodied in the law.

The Voluminous Tasking Schedule from the Outset

A Federal Council ordinance of 1887 described territorial service as "service behind the lines with the purpose of securing supplies and the channels of communication." It divided Switzerland into eight territorial districts, corresponding to the eight division districts of that time, whereby their commanders were directly under the military department. These districts had to carry out control over personnel matters of the Landsturm [home reserves]; military order was to be ensured; and foreigners, the press, and the health service had to be supervised. The "territorials" were responsible for the transport of war materiel to the interior of the country, for securing the mobilization and assembly of the army, and supporting and protecting its rear and flanks. At times they had to guard and house prisoners and deserters, and lastly they were in charge of reinforcements and return transport for the army.

Reorganizing Efforts at the Beginning of the Century

In the course of this reorganization phase, in 1914 the "territorials" were called to the border in order to make possible an undisturbed mobilization. They were not freed from their duties in the interior of the country, however, which clearly resulted in excessive demands.

The Interim Phase

Later, until the end of World War II, various attempts were made to redefine the duties of the territorial service, but a proper doctrine of use was lacking. This led variously to unclear situations, particularly between 1939 and 1945, when the "unloved child," i.e., the territorial service, was subordinated to four different authorities in turn. In the final report on the active duty period, the chief of the general staff demanded the selection of an army staff group which henceforth was to deal with the affairs of the territorial service. As of 1947, on the basis of extensive experience during the war years, the cornerstone was laid for today's organization of the territorial service.

Conceptualization of Modern Territorial Zones

Troop ordinances 51 and 61 brought fundamental changes for the territorial service and led to a thorough re-examination of the structures. For example, in 1951 the "blue" air raid protection became almost overnight the air defense troop as we know it today. First, four "territorial zones" were formed--this concept appears here for the first time--, which were regrouped in 1961 into six territorial brigades. The "promotion" to brigade underlines the revaluation given to the territorial organizations. In the ordinance on the territorial service of 23 March 1953, the territorial service received a new tasking schedule which listed in first place the security service and military intelligence, above all the guarding and defense of objects of military importance. Additional duties concerned information, warning, traffic, police and support services, as well as medical service measures for the civilian population. Only troop ordinance 61 (again) reassigned rearguard services to the territorial service. Supplying reinforcements and carrying out return transports again became important tasks of the territorial service, while the territorial organizations during the war and postwar years did not have to concern themselves with these matters nor with securing communications to the rear. In addition to the purely territorial service tasks, the territorial brigades were given a second function: they became the supply authority of the army corps.

This new orientation led to adaptation of the individual task sectors, such as the supply service, medical service and air raid protection troops. There were changes also in the surrounding field of territorial service activity, which reached their climax in 1968 with the basic decision of a purposeful reorganization of the territorial service. In the above-mentioned ordinance of 1 January 1971, the territorial service organizations and the mobilization authorities were completely separated for the first time, and the borders of the six territorial zones were adjusted to the canton borders. Territorial Zone 2, the third-largest zone, covers the canton territories of Basle, Basel-Land, Solothurn, Aargau and Lucerne.

2. Implementation of the Reorganization

The basic pattern for Territorial Zone 2 was set, and the concepts were there in rough outline. The task was now to refine the structures and to implement

the new organization, step by step. At the center of this reorganization was the improved use of existing means for accomplishing this far-reaching task.

Since 1971, the command of Territorial Zone 2 has been in charge of approximately 25,000 draftees of all ranks in air defense battalions, guard units and support detachments, in territorial medical and hospital detachments, in auxiliary police units as well as in territorial districts and reinforcement regiments. The structure of Territorial Zone 2, valid to this day, consists of four territorial districts, one city command, three air defense regiments, two hospital and supply regiments as well as two support detachments, one motor vehicle transport detachment, and the newly formed headquarters battalion.

In 1977, priority was given to the introduction of the new supply concept. This eliminated the second supply step in the divisions, "entrepot trade" was done away with, and troops could be supplied directly from the base. Through reorganization of the transport service in 1979, the corps' transportation means were combined in the transport department of the zone as a transport pool. Integration of the numerous, dispersed details of the support service into two support detachments was carried out in 1980. In the following year, the headquarters battalion was created, in which the various directly subordinate companies were integrated. Lastly, the medical troops were newly formed in 1983, which could fully live up to the demands of the coordinated medical service only in this new structure. During the same year, the air raid protection troops were also newly organized, materially strengthened, and cantonal allocation newly regulated.

Territorial Zone 2 as a Link to the Population

The work of Territorial Zone 2 not only benefits the army, but in equal measure also the civilian population, particularly through the assistance of the air defense and medical troops and the services of the territorial districts. Nothing demonstrates more clearly the function of Territorial Zone 2 as a link between the populace and the army than the coordinated medical and transport service, whose services can be claimed by civilian and military personnel alike.

Without a doubt, the problem most difficult to solve consists in the great heterogeneity of the staffs and units combined in a territorial zone. That is why the melding of Territorial Zone 2 into one "unit" is the declared goal of its leadership.

3. The Fighting Power of the Ter [Territorial] Zone

Whoever hears the word "Ter Zone," thinks--unfortunately, almost exclusively--of supply and decommissioning. Many overlook the fact that the Ter Zone contains a noteworthy infantry fighting potential; a potential which, with proper training and use, can make a remarkable contribution to the discussion. Three figures can demonstrate this:

- about 20,000 men with infantry equipment and training,
- about 15,000 standard rifles,
- about 500 rocket launchers.

And this potential, in the manner of a chessboard, covers the entire area of the Field Army Corps 2. Countless additional bases and blockade stations of the Ter Zone troops reinforce the network of the actual fighting troops.

The modern enemy looks for free areas and speaks in his doctrine of a "breakthrough through the enemy lines into the free maneuvering space behind." Thanks to the Ter Zone, this free space does not exist at all! The high degree of coverage of this corps area prevents an enemy from establishing himself unseen and undisturbed behind the front lines. The troops of the Ter Zone form an additional front; not a closed one, but nevertheless [they are] troops stubbornly defending and holding their position.

It is, therefore, a priority concern to prepare the troops of the Ter Zone for this task, also; to train the officers in infantry tactics, and to constantly improve the troops' fighting techniques.

The Ter Zone not only contributes additional fighting power, but also strengthens and intensifies the communications network in the entire corps area. Through their distribution over the entire area, the more than 100 units complement to an outstanding degree the procurement of communications by the fighting troops. Although their technical transmission equipment is rather modest, this potential must not lie idle. Even the very smallest unit has a telephone.

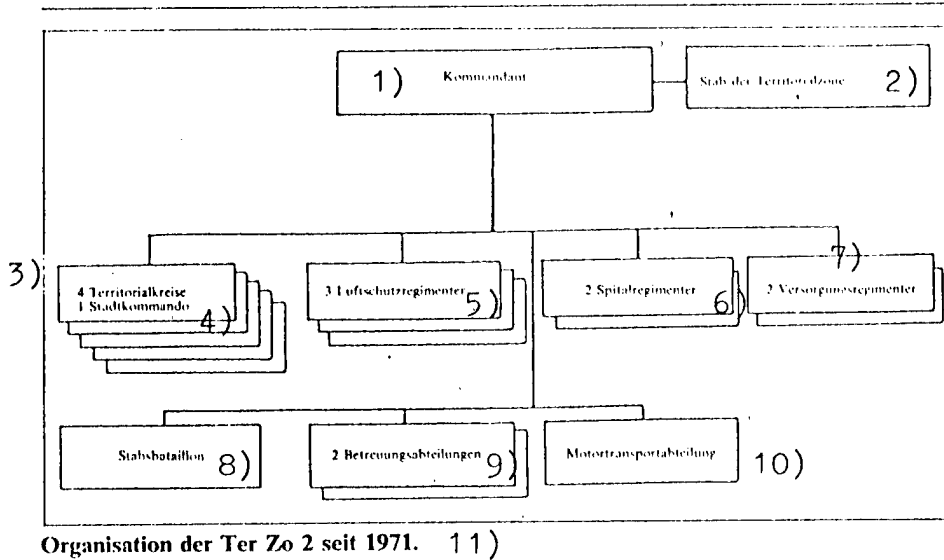
The military defense service is a further potential, a valuable tile in the overall mosaic. Well thought-out plans and preparations for destruction will prevent the intentions and chances of a potential enemy for procuring goods, production plants or stocks of supplies.

Lastly, in the era of total defense one must not underestimate the significance of visible presence everywhere. Thanks to the locations and installations of the Ter Zone, there are only a few localities where no troops are living among and with the population. This manifests the community of fate. The troops are anchored in the populace; the people feel protected by the troops. Even in peacetime, this integration finds its expression in prepared and improvised installation of the supply troops in the establishments of civilian trade.

Truly, there lies a diverse and noteworthy potential in the troops of the Ter Zone. Territorial Zone 2 is capable of fulfilling its primary service task, as demonstrated in numerous troop and staff maneuvers; it will not fail to prove that it can carry out its infantry tasks. However, several conditions must be met:

- recruiting can and must be improved;
- in the recruiting and cadre schools, in addition to special training, battle training must be optimized;
- in refresher courses, this battle training must be reinforced emphatically and meticulously. The troops themselves will be grateful for this experience.

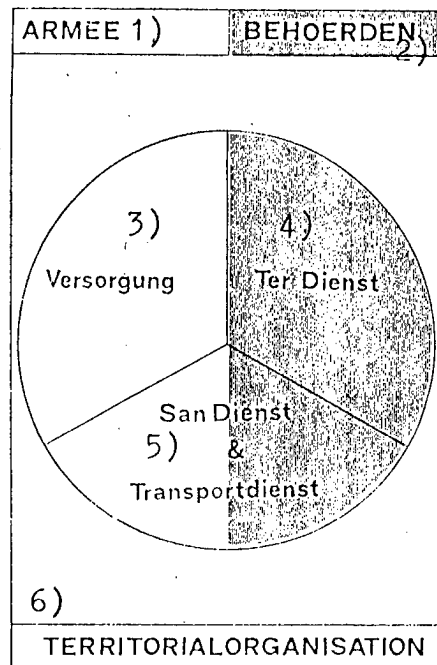
Table 1



Key:

- | | |
|------------------------------|---|
| 1. commander | 7. 2 supply regiments |
| 2. staff of territorial zone | 8. headquarters battalion |
| 3. 4 territorial districts | 9. 2 support detachments |
| 4. 1 city command | 10. motorized transport detachment |
| 5. 3 air defense regiments | 11. organization of Ter Zone 2 since 1971 |
| 6. 2 hospital regiments | |

Table 2



Key:

- 1. army
- 2. authorities
- 3. supply

- 4. Ter service
- 5. medical and transport service
- 6. territorial organization

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'LOW ALTITUDE AIR DEFENSE SYSTEM' MISSILE BIDS RECEIVED

Istanbul HURRIYET in Turkish 21 Nov 86 pp 3,14

[Nezih Tavlas report]

[Text] Ankara--Work has been stepped up on the establishment in Turkey of a "Low Altitude Air Defense System" [LAADS] which is used in many countries and which has the capability to provide early warning and to respond to an air attack against the country. Strike capability for the said system, which will play a major role in the country's defense, is provided by short and medium-range surface-to-air missiles. The Ministry of National Defense is reviewing bids by various companies for the purchase of the said missiles.

LAADS, which is designed to defend sensitive targets, strategic areas, communication systems, radar positions, airfields and regions and vehicles controlled by the armed forces, can also protect civilian targets. When installed, the system will protect civilian strategic and economic targets such as railroads, ports, industrial zones, civilian airports, major crossroads, the Bosphorus Bridge and the Aliaga oil refinery as well as the cities of Ankara, Istanbul, Izmir and Adana.

LAADS is made up of short and medium-range surface-to-air missiles, anti-aircraft guns, anti-aircraft canons, interceptor planes and a command, control and communications center which facilitates communications among the various components. Each command, control and communications center works in an integrated manner with one anti-aircraft canon, one anti-aircraft gun, two surface-to-air missile launch units and radars feeding data into these units. The command, control and communication centers can also activate interceptor planes waiting at airfields if data from the radars necessitate such a move.

Missile Launchpads

On 31 October, the Ministry of National Defense asked for bids on the surface-to-air missiles which constitute the striking power of LAADS and which are activated when the radars sense an incoming air raid. The firms which submitted bids for the purchase of short and medium-range surface-to-air missiles and the weapon systems they proposed are as follows: Buhrle, a Swiss-West German firm, with the ADATS missile; MBB, a Franco-German firm, with the Roland; the Ford Company of the United States with the Chaparral system; Britain's British Aerospace with the Rapier missile; and the Swiss-Italian

firm, Contanes, with the Skyguard missile. The surface-to-air missile systems proposed by the firms include missile launchpads, launch control radars and anti-aircraft guns. The Ministry of National Defense is expected to reach a decision over the bids submitted by the said five firms by new year's day. Minister of National Defense Zeki Yavuzturk had announced previously that LAADS is expected to cost over 1 trillion Turkish lira.

Some military circles have indicated that the surface-to-air missiles constitute only one component of LAADS, that "full security" cannot be accomplished without radars which constitute the most important component of the LAADS, and that the number of existing radars must be increased. These circles state that the existing 24 radars--9 of which are mobile--are inadequate and that at least 40 to 50 radars are necessary to operate LAADS properly. The radars cost between \$10 million and \$15 million each; the integrated system which will connect these radars through command and control centers can cost more than 600 billion Turkish lira.

Military circles have stated that a 200-unit LAADS which will provide 35 percent effectiveness will cost at least 3 trillion Turkish lira and that such a system cannot perform its intended function with only missiles.

AWACS Aircraft

In recent years, the Turkish Air Force made an attempt to acquire AWACS planes, which is described as the best early warning system against an attack on the country as well as other developments and which is used by the United States, Saudi Arabia, France and Britain. The AWACS system is based on two types of planes: the E-3A NATO plane built on a Boeing 707 and the E-2A Grumman Hawkeye. At that time it was decided to buy four Grumman AWACS planes, and a Turkish Air Force delegation visited the United States for that purpose. An agreement was reached to buy the four planes for \$280 million, but the agreement was broken when the firm asked for \$550 million.

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ENERGY FROM NORTH SEA FIELDS MORE COSTLY THAN PREDICTED

Copenhagen BORSENS NYHEDSMAGASIN in Danish 16 Jan 87 pp 20-21

[Article by Nils Enrum: "North Sea Oil: Expensive Energy"; first paragraph is BORSENS NYHEDSMAGASIN introduction]

[Text] The Danish North Sea oil production has not been a bonus to the national economy yet.

Measured in barrels of oil, the Danish energy production in the North Sea is a success. Almost half of Denmark's energy consumption is taken care of by the oil and gas from the fields in the North Sea. This has made Denmark less dependent on developments on the turbulent oil market.

But measured in kroner and ore, the North Sea is a poor bargain. Total investments of around 50 billion kroner have not yet been recovered. And the project has not had a positive effect on the Danish balance of payments. On the contrary. So far foreign currency expenditures for investments and operation have been greater than production value. The balance sheet became even worse as oil prices fell in 1986.

Budget Department estimates show that the total exchange loss will not be offset before the end of the decade and perhaps not until the beginning of the 1990's.

When the Arabs started using oil as a political weapon against the western world in 1973, the ocean floor in the Danish part of the North Sea became economically attractive. The energy crisis in the winter of 1973-74 showed how vulnerable Denmark was with regard to energy. A new phrase entered the language: energy planning. And when prices rose again and again, the government compelled A.P. Moller and the other partners in the Danish Underground Consortium to step up exploration and production.

Not many questions were raised about this strategy, the idea was to just get going. But the assumption was of course that oil would continue to be such an expensive raw material that production would provide a surplus for the producers, royalties and fees for the state and an exchange surplus in the balance of payments. It was assumed that the price of oil would remain in the vicinity of \$30 a barrel.

Today these assumptions have been shattered--the price of oil has been more than cut in half in terms of Danish kroner. This benefits the energy items in the balance of payments because even when the North Sea production reaches its peak in a few years, we will still import 55 percent of the energy we need. But it has a negative effect on the profitability of North Sea production. The mammoth investments that are needed to reduce dependence on imported energy have put the country in a kind of trap--low oil prices are no longer an unmixed blessing.

Plug Up the Hole

Annoyingly enough the long planned North Sea production is flourishing just when energy is cheap. This has given rise to speculations about keeping the North Sea oil until times are better. Why not plug up the hole, wait until prices shoot skyhigh and import energy now when prices are low?

"This might seem sensible at first glance," Charles Maxwell, one of the leading oil analysts in the United States, told BORSENS NYHEDSMAGASIN. "The argument seems obvious, but it does not hold up." When large amounts of money have been invested in exploration and extraction, it is better to cover even part of the fixed costs than to have no income at all. According to Charles Maxwell, a political decision to shut down North Sea production would be catastrophic for the producers' opportunities to earn money. "Investment and exploration would stop and there would be a sharp decline in the acquisition of new reserves," Charles Maxwell said.

People in the Danish oil branch confirm this: no one wants to close the offshore fields. Not even the most expensive fields, which are currently operating at a loss, because total costs per barrel are higher than sales prices. Statoil information chief Jorgen Posborg concluded: "Once investments have been made the daily costs are relatively small. One keeps going at full speed."

Balance of Payments

To date the North Sea venture has worsened instead of improving the balance of payments and every time the balance sheet is revised the figures look worse. The calculations are summarized in Figure 1, with the upper curve showing the net effect on the balance of payments for the year in question. The lower curve shows the total of the preceding year's balance. Foreign exchange outlays prior to 1982 have been left out and thus the curve indicates a somewhat optimistic picture of the total effect on the balance of payments.

The sales value of the oil and natural gas produced represents revenue. If they are exported foreign currency is earned and if the energy is used in this country we save on import expenses. As export and import prices are virtually identical it does not make much difference whether the resources are sold in this country or abroad. In general income will rise during the entire period under consideration from almost 4 billion kroner in 1982 to around 10 billion kroner in 1990.

Foreign currency expenditures are dominated by the investments production companies make in exploration and production equipment, a great deal of which is imported. There are also operating expenses that are paid for in foreign currency. And financing is largely based on foreign loans that require interest payments in hard currency. And finally profits must be paid out to foreign partners.

As Figure 1 shows these total costs have exceeded the value of oil and gas production. In 1982-1985 gas and oil deliveries from the North Sea amounted to around 23 billion kroner. In the same period the project's surplus imports of capital equipment, etc., added up to around 27 billion kroner, to which must be added the net costs for interest and profit payments in these 4 years, around 5 billion kroner in all.

In 1986, according to the Finance Ministry, a balance should have been reached between annual foreign currency expenditures and foreign currency revenues and in 1990 the ministry expects a surplus of 4 billion kroner. As we said the total exchange balance sheet will probably rise above zero in the early 1990's. In its long-range forecast the Finance Ministry predicts that the total surplus in 1995 will exceed 30 billion kroner.

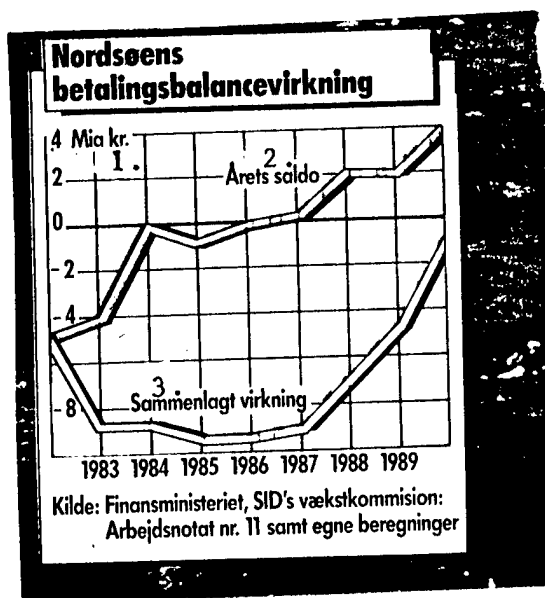


Figure 1. North Sea's Impact on the Balance of Payments

Key:

- 1. Kroner, in billions
- 2. Balance for the year
- 3. Total effect

Source: Finance Ministry, the Semiskilled Workers Union's growth commission's "Working Notes, No 11" and calculations made by the author.

Oil Prices

The Finance Ministry's estimates stand and fall on the price of oil. The figures are based on the assumption that oil prices will rise slowly from \$15 a barrel to \$20 in 1991.

In view of the latest developments and the new OPEC price agreement, this assumption may seem too modest. But it coincides exactly with oil analyst Charles Maxwell's assessment. "There seems to be a consensus in the market that the OPEC agreement and the price of \$18 a barrel will hold and that prices will be around \$22 a barrel in 1988," said Charles Maxwell, who said he basically disagreed with this forecast. "The bottom was certainly reached last summer, but the question is how sharply the curve can rise. In recent months OPEC has raised the price more than the market will bear and therefore it will drop again." Maxwell expects a price of \$13 to \$14 (for Texas oil)--a clear increase compared to last summer when the price was less than \$10 a barrel. The average price for North Sea oil in 1987, in his opinion, will be around \$15.50 a barrel, compared to \$14 a barrel last year. Charles Maxwell's forecast (like the Finance Ministry's estimate) indicates a gradual but moderate increase in the years ahead. Around 1990 the average price of North Sea oil will be up to \$20 a barrel.

Not until the price reaches that level will all the North Sea fields yield a surplus.

Lower Energy Bill

If we exclude the costs connected with extracting energy from the North Sea, there has been a small revolution in the energy items in the balance of payments. The annual bill for foreign energy has been cut by 20 billion kroner, thanks to the decline in oil prices and the higher degree of self-sufficiency. Even if the advantages of the North Sea project diminished when oil prices fell, the lower oil prices are generally beneficial to the Danish economy. Denmark is and will remain a net importer of energy.

Figure 2 compares the total balance of payments deficit and the net expenditures for energy. In the beginning of the 1980's energy items alone showed a larger deficit than the total balance of payments. Today the energy deficit has been cut in half and in the years ahead the annual expenditures will be on the right side of 10 billion kroner. The curve for the years 1987-1990 is based on the production estimates of the Energy Agency, a constant exchange rate for the dollar and gradually rising oil prices from \$15 a barrel in 1987 to \$20 in 1990.

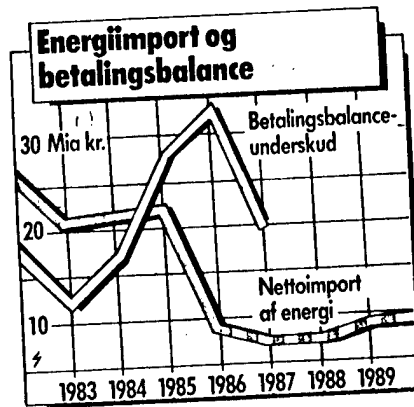


Figure 2. Energy Imports and the Balance of Payments

Key:

- | | |
|--------------------------------|-----------------------|
| 1. Kroner, in billions | 3. Net energy imports |
| 2. Balance of payments deficit | |

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CSO: 3613/42

RADIOACTIVE WASTE STORED IN MADRID UNIVERSITY

Madrid EL PAIS in Spanish 6 Feb 87 p 10

[Editorial]

[Excerpts] The revelation (in EL PAIS of 3 February) that there were more than 100 tons of low and medium-level radioactive waste and other highly toxic substances stored at the facilities of the Nuclear Energy Board (JEN) in the University City of Madrid represents information of sufficient concern as to arouse the hope that it is not dismissed with the usual bemoaning of the risks inherent in all human activity connected with scientific or technological progress. Especially when the nature of the "practice," and not merely the "theory" of the problem is demonstrated by the two accidents in 1970 and 1984 at the aforementioned facilities.

In the first, the occurrence of which was kept secret until it was uncovered by the press months later, 300 liters of high-contaminating liquids stored at the JEN facilities ended up in the Madrid sewerage system and, through it, in the channels of three rivers in the district. More than 300 barrels of mud and agricultural products collected in the holms of those rivers had to be stored in the "nuclear cemetery" of El Cabril in Cordoba, where they still are. Nine months ago, the deterioration of the containers made it necessary to reinforce the drums. The second accident, also caused by the escape of contaminating liquids, occurred in 1984 and its effects were not very serious; notwithstanding that there was a delay of more than 2 months in supplying official information.

A royal decree of July 1984 authorized the creation of the National Radioactive Wastes Company (ENRESA), with 80 percent participation by the JEN and 20 percent by the INI, the mission of which is defined as that of "managing the packing, transportation, and definitive storage and later control and supervision" of that type of waste in such a way that "those activities do not result in harm to people and the environment, and that the mortgage to future generations is mimized." ENREAS is charged with conducting a geologic study aimed at locating the areas of the national territory most appropriate for the siting of separate centers for wastes of high, and low and medium radioactivity.

Meanwhile, 130 tons of contaminating wastes continue to be stored in a city of about 4 million inhabitants. Half a million people reside within a radius of 3 kilometers around the JEN. The law requires the existence of specific civil protection plans in all populated areas located in the vicinity of nuclear installations. The preparation of a plan of that nature was approved by the Madrid city government 8 months ago but, as the Communist councilmen of the capital municipality have just charged, to this day no concrete action in that regard has been adopted. If one remembers that there are 1,141 installations in Spain that utilize nuclear energy, and one considers the fact that experiences such as that of Chernobyl and others show that human error is possible whatever may be the sophistication of the technology applied, one must conclude that the concern of our citizens is more than justified; and that that concern does not depend on the philosophical attitude that each one may adopt toward technological progress in general, and the use of nuclear energy in particular, but simply on the existence of a risk that it would be foolish to ignore.

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